

THE CHINA WEEKLY
REVIEW

*Devoted to the Economic, Political and Social Development of China and its
Intercourse with Other Nations*

A Tale of Two Meetings!
**The Problem Of Japan And
Manchuria**

By Charles Dailey

Giving the British a Chance to
Do Something!

Recent Soviet Activities in
North Manchuria

By Albert Y. Hugh

Gen. Yen Hsi-shan Mobilizes Against
Chang Tso-ling

By C. Y. W. Meng

It Was a Question of Honor!

評密

論勒

報氏

SATURDAY, OCTOBER 8, 1927

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Vol. XLII

No. 6.

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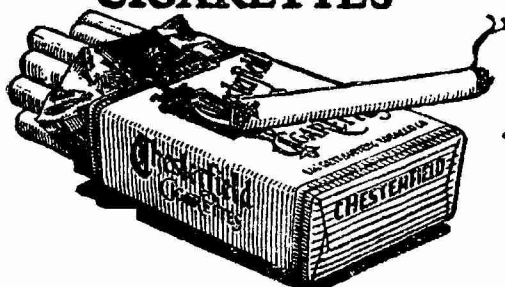
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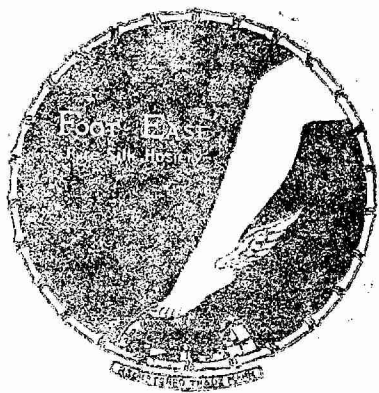
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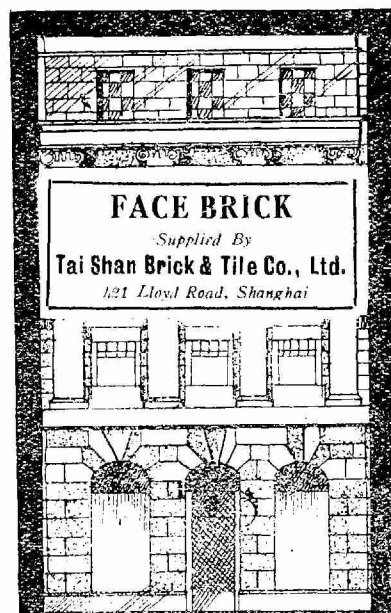


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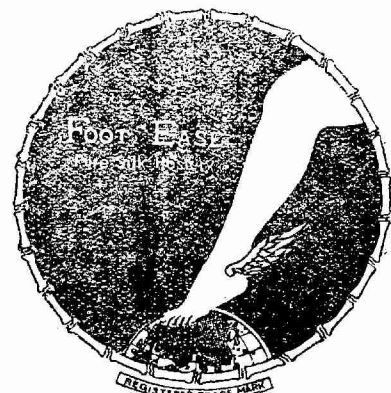
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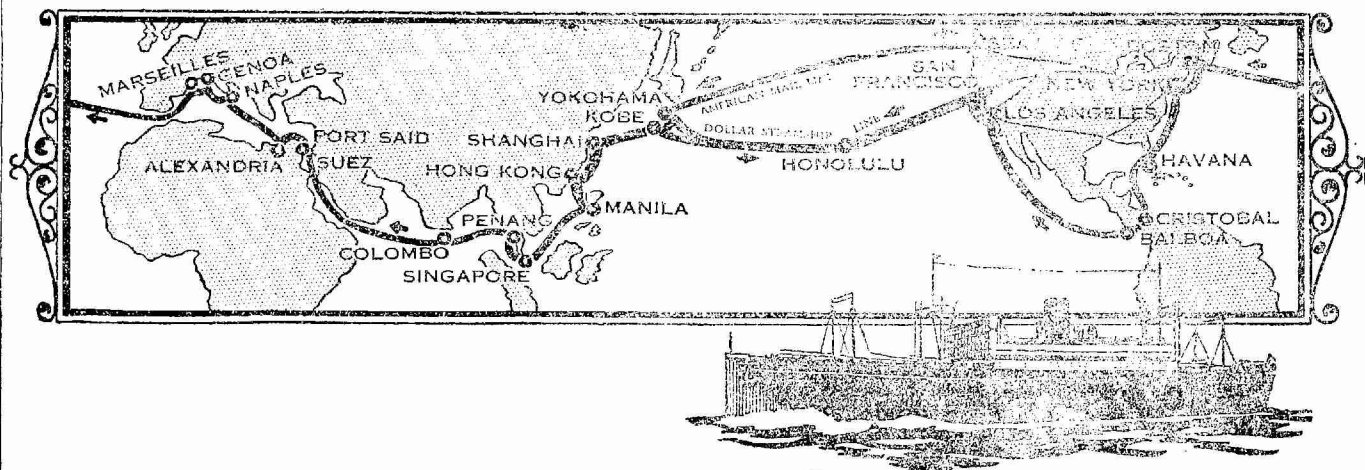
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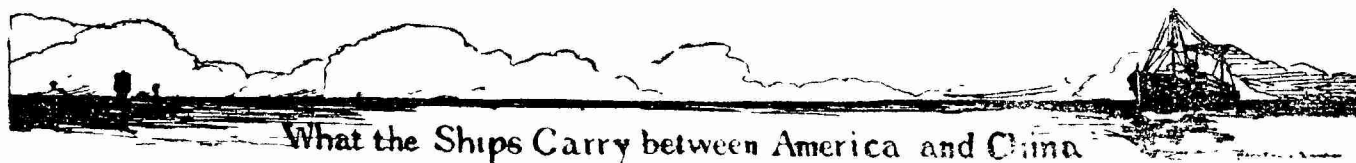
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What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds, Bls.—Bales; Pcs.—Pieces; Mil's—thousands; Hk. Tls.—Haikwan Tls., Oct. Customs Rate Tls. 1.45 equal Gold \$1

EMPRESS OF RUSSIA,			ELKRIDGE, September 6.			PRESIDENT JEFFERSON,		
August 26.			From U. S. A.			September 9.		
To Vancouver.			Oil, Kerosene, in bulk Galls 27,500			Dyes, Aniline Pkgs, 63		
Silk Piece Goods Pls.	1 05	Tea, Green:	" " " Tins " 581,500			" " " Hk. Tls.	3,782	
Tea, Black, Congou,		Young Hyson, other	Turpentine, Mineral... " 1,041			Machinery	"	49,099
Shanghai..... "	14	Ports				Treasure:		
Feathers	14	Hyson, other Ports "				Silver Bars ... "		2,999,746
To Toronto.			SILVERGUAVA September 6.					
Tea, Green:		Tea, Leaf Unfired,	from U. S. A.					
Gunpowder, Ningpo. "	15	other Ports	Grapes, Fresh..... Pls.	12		To Seattle.		
To St. Louis.			Gum, Resin..... "	717		Tea, Black, Unfired:		
Tea, Green:		Silk, Raw, Steam Filature:	Leather, Sole, Sides ..	109		Kiukiang	Pls.	1
Gunpowder, Ningpo. "	182	White, Shanghai Bls.	Oranges, Fresh..... "	295		Tea, Dust, in Bags		
Young Hyson, other Ports ..	42	30	Soda, Ash..... "	42		other Ports..... "		59
Hyson, other Ports ..	8	Silk, Raw, Re-reeled:	Starch	53		Intestines, Pigs'		36
Tea, Leaf, Unfired,		White, other Ports	Tobacco, Leaf	2,491		To Huntingdon.		
other Ports	388	Bls. 25	Tobacco, Prepared, in			Silk, Raw, Steam Filature:		
To Montreal.			Tins..... "	4		White, Shanghai Bls.		
Tea, Black:		Silk, Raw, Steam Filature:	Tobacco, Scraps..... "	69		15	Pls.	14.88
Congou, Hankow . "	63	White, Shanghai Bls.	" Stalk	393		To Minneapolis.		
" Kiukiang .. "	1	10	Wax, Paraffin	308		Intestines, Pigs'		15
Other Kinds,		310	Lemons, Fresh	7,500		To Houston.		
Kiukiang	10	310	PRESIDENT HARRISON,			Hair, Human..... "		96
Tea, Leaf, Unfired,		310	September 6.			To Hoboken.		
other Ports..... "	289	310	From U. S. A.			Silk, Raw, Steam Filature:		
Brassware	17	310	Cotton Waterproof			White, Shanghai Bls.		
To Shamokin.			Cloth, Rubberized.. Yds.	698		45	Pls.	44.67
Silk, Raw, Steam Filature:		Silk, Raw, Steam Filature:	Brass Wire	8		To Buffalo.		
White, Shanghai Bls.		White, Shanghai Bls.	Iron Wire Shorts..... "	506		Silk, Raw, Steam Filature:		
176	175.86	310	Lead, in Pigs	841		White, Shanghai Bls.		
To Luzerne.			Steel Wire, Unclassed "	12		15	Pls.	14.76
Silk, Raw, Steam Filature:		Silk, Raw, Steam Filature:	Grapes, Fresh..... "	44		To Chicago.		
White, Shanghai Bls.		White, Shanghai Bls.	Indigo Paste, Artificial,			Tea, Black, other kinds,		
176	175.86	310	20 per cent. "	188		Kiukiang		100
To Scranton.			Ink, Printing	357		Tea, Green:		
Silk, Raw, Re-reeled:		Silk, Raw, Steam Filature:	Leather, Calf	3		Gunpowder, Ningpo. "		307
White, other Ports		White, Shanghai Bls.	" Patent	5		To New York.		
Bls. 5	5.14	310	" Sole, Shoulders "	114		Silk, Raw, not Re-reeled:		
To Huntingdon.			Milk, Evaporated..... "	21		White, other Ports		
Silk, Raw, Steam Filature:		Silk, Raw, Steam Filature:	Oranges, Fresh	325		Bls. 25		25.25
White, Shanghai Bls.		White, Shanghai Bls.	Paper, Writing..... "	73		Silk, Raw, Steam Filature:		
215	213.23	310	Soap, Laundry	13		White, other Ports		
To White Hall.			Soda, Bicarbonate of.. "	420		Bls. 25		24.99
Silk, Waste:		Silk, Raw, Steam Filature:	Sugar, Cube	10		Yellow, other Ports		
Shanghai ... Bls. 16 "	52.13	White, Shanghai Bls.	Cotton Thread, ...	21		Silk Pongees, Honan.. "		8.00
Other Ports Bls. 14 "	46.98	310	Embroidery..... "	8		Tea, Green, other kinds,		
			Wax, Vegetable..... "	8		Shanghai		4
			Cash Registers..... Pcs.	5		Antimony Regulat. ..		420
			Lemons, Fresh	32,100		Bristles, Assorted.... "		50
			Motor-cars	1		Intestines, Pigs, ...		47
			Typewriters	80		Skins, Rabbit	Pcs.	4,760
			Shoes	1,608				
			Oil, Lubricating, Mineral Galls 10,272					
			Glass, Window, Coloured	1,575				

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—During the early part of the week under review prices remained in a steady position but firmed up thereafter due to a fair volume of business having been done for future deliveries, evincing at the close a firmer tendency engendered by the following factors: the influence of the advances in Mid-Americans and Indians, the firm attitude of local holders of cotton due to the embargo on cotton still being in force at Hankow and the damage sustained in the Kiangsu Cotton districts through bad weather conditions at this stage of the season's growth. Taking into consideration the foregoing indications the outlook inclines more to bullish than bearish expectations and therefore points to the advisability of taking advantage of any recessions that may evolve in the near future. From past experience it may be noted that whenever Mid-American rules high in prices our industrious country never fails to avail itself of as much as it can possibly procure of the domestic growth and with such a preponderating demand being realized at any time the infusion of strength in our market becomes inevitable.

Yarn:—During the past week a better demand having arisen prices ruled Tls. 2.00 to Tls. 3.00 higher than that

during the previous period. Business for export has been booked some 8000 bales to 9000 bales in all counts.

Liverpool:—

American-Middling	11.83
American-Middling	
last reported	11.52
Tone of the Market, <i>Easier</i>	

New York Market:—

Price of Mid-Amer.	21.55
Spot.	21.03
Oct.	21.32
Dec.	21.38
Jan.	21.72
Mar.	21.87
May.	

Tone of the market—*Easier*

Indian Market:—

Fully Good Bengal, D./J.	354
Fine Oomra, July.....	397
Fully Good Broach, J./A.	430

Tone of the market—*Easier*

Shanghai Market:—

Tls.	
Tungchow, spot exwharf	40.60
Shanghai, Spot.....	39.00
M. Ginned, Spot.....	39.25
Shensi, No. 1 Spot.....	40.00
Ningpo, Spot, Exwharf.	35.40
Tone of the market— <i>Steady</i>	



CHINESE GOVERNMENT RAILWAYS

Shanghai-Nanking Railway Abridged Time Table.

UPWARD

Main Line—Shanghai-North to Nanking.

STATIONS	Local	Fast	3rd & 4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Night Express
Shanghai North dep.		7.00	7.20	8.50	9.05	12.15	12.40	14.20	16.10	18.10	21.30
Nansiang		7.28	7.50	—	9.39	12.44	13.08	14.59	16.41	18.42	22.04
Anting		7.49	8.19	—	10.10		13.30	15.30	17.03	19.07	—
Kunshan		8.17	8.48	10.11	10.51		14.04	16.08		19.44	—
Soochow		9.11	9.53	10.54	12.04		14.57	17.14		20.36	24.00
Wusih	6.35	10.13	11.05	11.50	13.30		15.50	18.28		21.35	1.14
Changchow	7.51	11.14	12.07	12.47	14.48		16.55	19.32			2.30
Tanyang	8.58	12.16		13.40	15.58		18.00				3.35
Chinkiang	10.05	13.10		14.23	17.09		19.00				4.40
Nanking arr.	12.05	14.45		15.40	19.19		20.30				6.25

DOWNWARD

Main Line—Nanking to Shanghai-North.

STATIONS	Local	Local	Local	Fast	Express	Local	3rd & 4th Local	3rd & 4th	Fast	Local	Night Express
Nanking dep.				7.05	9.10			9.25	12.30	16.35	21.30
Chinkiang				8.46	10.46			11.40	14.30	18.54	23.43
Tanyang				9.28	11.25			12.45	15.28	19.50	0.32
Changchow		6.45		10.36	12.39		13.05	14.08	16.44	21.11	2.10
Wusih	5.30	7.55		11.45	13.32		14.20	15.45	17.47	22.15	3.21
Soochow	6.26	9.09		12.45	14.26		15.45	17.10	18.51		4.35
Kunshan	7.19	10.13		13.32	15.03		17.10	18.24	19.42		—
Anting	7.51	10.47		14.04	—	17.15	17.45	19.09	—		—
Nansiang	8.15	11.12	13.15	14.24	—	17.37	18.09	19.40	20.31		6.06
Shanghai North arr.	8.40	11.37	13.44	14.50	16.00	18.03	18.42	20.10	20.55		6.30

From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zhaikou DOWN

Main Line

Zhaikou to Shanghai North UP

STATIONS	Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local	STATIONS	Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local
Shanghai N. d.		8.05	9.15	13.30	15.35	18.30		Zhaikou d.		7.15	9.05	13.35	15.25	17.45	
Jessfield d.		8.21	9.32	13.46	15.51	18.46		Hangchow d.		7.40	9.40	14.00	15.51	18.10	
Sicawei d.		8.27	9.40	13.53	15.58	18.53		Changan d.		8.32	11.05	15.06	17.03	19.02	
Lunghwa J. d.		8.40	10.02	14.07	16.14	19.05		Yehzah d.		9.03	12.03	15.43	17.46	19.33	
Shanghai S. d.		8.15	9.30	13.40	15.45	18.40	19.35	Kashing d.	7.35	9.44	12.57	16.32	18.25	20.15	
Lunghwa J. a.		8.34	9.49	13.59	16.06	18.59	19.54	Kashai d.	8.06	10.08	13.35	16.59	(a)	20.41	
Sungkiang d.		9.20	11.00	14.53	17.08	19.45		Sungkiang d.	9.15	11.01	14.48	17.58		21.36	
Kashai d.		10.09	12.07	15.48	18.10	20.38		Lunghwa J. d.	10.11	11.41	15.53	18.47		22.16	8.41
Kashing d.	7.40	10.40	12.49	16.23	18.35	21.10		Shanghai S. a.	10.30	12.00	16.12	19.07		22.35	9.00
Yehzah d.	8.25	11.14	13.40	17.03	(a)	21.44		Lunghwa J. d.	10.10	11.42	15.48	18.45		22.17	
Changan d.	9.18	11.49	14.32	17.44		22.19		Sicawei d.	10.19	11.49	15.57	18.54		22.27	
Hangchow d.	10.34	12.45	16.00	18.55		23.15		Jessfield d.	10.26	11.56	16.05	19.01		22.31	
Zhaikou a.	10.50	13.00	16.25	19.10		23.30		Shanghai N. a.	10.40	12.10	16.20	19.15		22.45	

Konzenchiao-Zhaikou

(Kiangshoo Branch Line)

Zhaikou-Konzenchiao

Konzenchiao d.	7.05	9.30	11.45	13.50	17.30	21.50	Zhaikou d.	8.15	10.35		15.10	18.35	22.55
Kenshangmun d.	7.21	9.48	12.01	14.10	17.46	22.06	Hangchow d.	8.34	10.54	12.38	15.29	18.58	23.18
Hangchow d.	7.38	10.00	12.12	14.23	18.03	22.18	Kenshangmun d.	8.46	11.06	12.51	15.46	19.11	23.31
Zhaikou a.	7.55	10.20	(a)	14.40	18.20	22.35	Konzenchiao a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—The four East Local Trains suspended running until further notice.
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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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CURRENCY. PERMITTANCE FROM OTHER COUNTRIES THAN
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MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE
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GIVING THE BRITISH A CHANCE TO DO SOMETHING!

INDICATIONS seem to point to the fact that the Nationalists or at least those in control of the present government at Nanking, have decided to give the British a little vacation, that is, from the standpoint of anti-British propaganda and agitations. There recently have been several hints in this direction in the local Chinese and British press, one of the most significant being an interview with Gen. Ho Yin-chin which appeared in the *North-China Daily News*, the 'official' British organ last Saturday. Gen. Ho declared that all of the anti-Britishism which has been manifested by the Nationalists heretofore, was perpetrated by the Communists, who have recently been expelled from the party. To use the General's words, "The Communist Party was bitterly anti-British. They followed a program of estranging all foreigners, particularly the British. We must now build a new relationship, a friendly relationship, between the Chinese and foreigners." If this statement by Gen. Ho means anything, it probably is the natural response of the Chinese to the olive branches which recently have been held out to the Chinese by prominent members of the British community, particularly Gen. Duncan, commander of the British troops in China who declared in a recent address that the British troops were here only for purposes of protecting the lives and properties of their nationals and that there was no spirit of antagonism toward the Chinese and that the British nation desired more than anything else to see unity in China. Then in addition to this Sir Frederick Whyte, creator of the Indian National Assembly, who recently was in Shanghai, did a great deal to show the Chinese that Britain means well and desires a reconciliation with the Chinese.

SINCE British policy, despite the noise of the local 'die-hards,' is made in London, rather than Shanghai, we must look further than the Shanghai Bund for the reason for this change, and it seems to have resulted from a meeting of the British Cabinet held about a month ago when it was decided to drastically reduce the British military forces in China. According to a report from London appearing in the Paris edition of the *Chicago Tribune* on Sept. 1, the Cabinet held an important discussion of China policy and while a section of the Cabinet favored a strengthening of the British military forces in China and even the lending of active help in the form of money, munitions and even troops to Marshal Chang Tso-ling, a majority of the Cabinet opposed this on the grounds that a threatening situation was facing Great Britain in the Near East, hence it would be unwise to undertake any further

commitments in China. As a result it was decided to immediately reduce the British military and naval forces in China waters and to leave only a comparatively small force of less than 5,000 men at Shanghai for the present. The *Manchester Guardian*, in commenting on this, in part said, "The news is particularly welcome, not only for the financial relief which it implies, but far more for the assurance which it gives of returning confidence at Downing Street... The probability is that a quite unnecessarily large number of troops were sent out to Shanghai in the first place." However, no good is served in searching for motives: the facts stand that the troops are being withdrawn and that British officialdom is showing a tendency toward conciliation, which naturally, is a matter of very great significance.

IN General Ho's interview wherein he placed the blame for anti-Britishism upon the Communists, he concluded his statement with a few remarks on the treaty situation to the following effect, "We must seek the cancellation of the unequal treaties, but we will not pursue the sudden, sweeping methods of the Communists, whose object was not to win victories for China but to separate us from all the other Powers. We hope to achieve our aspirations through the proper channels, by negotiation . . . We are not anti-foreign but we are opposed to the political system which gives the foreigner extraordinary rights in China. That system will have to be changed to something more equitable, but the desire for that change is not anti-foreignism. We do not want the foreigners to suffer in Nationalist territory; we want to restore the former pleasant relations. Tell the foreigners to meet us on an equitable basis, and I feel that our differences can easily be settled." This statement by Gen. Ho is important in two ways, first in that he publicly recognized and admitted the two Chinese methods of dealing with the foreigners on the treaty question, the radical or 'communist' method and the moderate method, and second, the hope which he expressed that the moderate method would achieve results. It is here that the real test for the new British policy will come, for the present Chinese Government at Nanking is undoubtedly making a bid for foreign cooperation in respect to treaty revision. If the British are wise they will not wait for further developments but will move immediately toward a settlement of outstanding questions, especially those concerned with the International Settlement at Shanghai. This would tend to strengthen the hands of the present moderate government and indicate to the Chinese generally that moderation accomplishes more than radicalism. But if the old die-hard policy continues to prevail and local British interests which control Shanghai are permitted to have their way and block overdue reforms, then the conservative Chinese will be discredited and the radicals will again return to the stage.

HOW MR. RILEY WOULD HAVE SOLVED THE SHANGHAI PROBLEM

MR. BASIL F. RILEY, correspondent for the *London Times* in China who disappeared so mysteriously in Honan Province some time ago, had some definite ideas regarding British policy in respect to the future of Shanghai. Some of these ideas were covered in dispatches to *The Times* and some to friends and acquaintances in Shanghai. Mr. Riley arrived in Shanghai early in May and remained here until about the middle of July when

he went to Central China. He disappeared on July 23 near the town of Chengchow, Honan and since more than two months have now elapsed, the regrettable conclusion is that he probably is dead, which, in our opinion is a matter of very great misfortune for British interests in China and at home as well. The reason for this opinion is that Mr. Riley possessed ideas regarding the solution of some of the outstanding problems affecting Sino-foreign relations, which are very greatly needed at this time. Mr. Riley was, of course, criticised by local reactionaries on the usual ground that he and not lived here sufficiently long to become familiar with local conditions. This charge is always leveled at the new-comer who expresses an opinion contrary to the prevailing or 'official' viewpoint here and sometimes it is correct. But in the case of Mr. Riley, Shanghai critics overlooked the fact that he had an exceptional educational preparation prior to coming here which peculiarly fitted him for understanding local problems. Riley was an Australian, a son of the Archbishop of Perth, and was a graduate of Oxford. He served in the World War, was captured by the Germans and only released after the armistice. Then he went to the Near East where he served in government educational work in Iraq for five years. It was here that Mr. Riley began his work as a correspondent and writer. Later he went to America on a scholarship where he studied at Columbia University and resided at International House, a student hostel accommodating foreign students "of as diverse race, nationality, and prejudices as the Assembly of the League", to quote from a letter about Mr. Riley and his work which recently was contributed to the *London Times* by Prof. Kenneth P. Kirkwood of Columbia University who was a personal friend and associate of Mr. Riley in New York. In reference to Mr. Riley's peculiar fitness for understanding the situation in China, Prof. Kirkwood said, "His historical and political knowledge was, in my opinion, exceptional; and his insight into the more remote significance and the less visible connections and interrelations of current events was always an amazement to me. I used to gasp sometimes at his remarkable conclusions and connections until he explained step by step the connecting links in his inductions."

THE FOREGOING is given as preparation for a consideration of Mr. Riley's views pertaining to the solution of outstanding problems at Shanghai, which are peculiarly problems for the British to solve owing to the predominant position of British interests here and to the further fact that the British absolutely control the machinery of the Shanghai Municipal Council. But while British interests predominate and British nationals control the machinery, it is incorrect to assume that these conditions will always prevail. Hence it is necessary that the British should give serious heed to the matter of adjustments to meet changing conditions, if they would prolong their tenure, for it is only through an *evolutionary* change as opposed to a *revolutionary*, that their tenure can be prolonged in the face of the rising tide of Chinese nationalism and impatience on the part of other powers at a continuance of the present deadlock. These were substantially Mr. Riley's views after a study of conditions here and we are violating no confidence in presenting them for he expressed his views frankly in conversations with his friends and also in conferences which he held with leaders of this community both in official life and outside. The one subject in which Mr. Riley was particularly interested, was education—Chinese education. In a conversation with certain

officials of the Shanghai Municipal Council, Mr. Riley declared:

"You point with pride to what you have wrought here in Shanghai under the protection of the British flag. You point to your magnificent buildings on the Shanghai Bund and along Nanking Road, but I have found conditions prevailing in this Settlement, in the alleyways and byeways less than a block from your fine buildings which are a disgrace to the British flag and everything which the modern British Empire holds sacred. If the British people at home who are groaning under taxation in order that you may be protected by their fleet and their troops, realized conditions here, they would remove their troops immediately and let you shift for yourself."

What Mr. Riley meant by this was the lack of education provided by the Shanghai Municipal Council for the hordes of Chinese children growing up in the Shanghai Settlement without educational advantages whatever—growing up to become possible criminals and enemies of the British Empire and western institutions generally. To quote Mr. Riley further, "It is only through an extensive, far-sighted policy of education and social reform, for the Chinese, that you rulers of Shanghai can convince our people at home that your fine city is worth saving from immediate and complete Chinese control."

MR. RILEY, being fresh from the homeland and a member of the so-called "Young English" party, was amazed that so little had been done here in the matter of modern education for the Chinese or even in the training of Chinese administrators for the various departments of the Municipality. In talking to one official he said, "The city of Shanghai now faces the prospects of many years of bad government purely due to the lack of foresight on the part of the Shanghai Municipal authorities in failing to train up a body of Chinese assistants for future positions of responsibility in the administration of Shanghai, one of the most important cities in the world and of great importance to the future trade and welfare of Great Britain and other nations having interests in this part of the world." Then speaking on the general subject of Chinese education from the standpoint of the Municipal Government here, Mr. Riley declared that the Municipality should immediately undertake a broad program of free, public education for Chinese children, a program designed to provide within a reasonable period, educational opportunities for every Chinese child between the ages of six and fifteen, residing within the boundaries of the foreign administered area. Mr. Riley also had equally well defined views on the subject of Chinese participation in the government of the Settlement, believing that the foreign Ratepayers should immediately invite the Chinese to elect members to the Municipal Council equal to the present foreign representation. He was also an advocate of legislation affecting child labor and the admission of the Chinese to the public parks of the Settlement. He spent considerable time investigating the "model-village" which was started in the Pootung section two years ago through the efforts of Y. M. C. A., and advocated the rapid extension of this idea either by the Settlement authorities independently or in cooperation with the Chinese authorities in control of the areas adjacent to the Settlement. We know of no better way of concluding this exposition of Mr. Riley's ideas than to quote a statement which he made to the writer a few days prior to his departure for Hankow: "If

the Shanghai Municipal authorities would immediately embark upon a broad policy of reform and announce that policy to the world, I believe that it would be possible to convince the British Government that our troops should be permitted to remain here sufficiently long to guarantee peace and order while the new program was being worked out. If the local authorities, largely British, do not have sufficient foresight to do this, then I have no hope for a prolonged continuance of the interest of the people of Great Britain in the future welfare of the Settlement."

A TALE OF TWO MEETINGS!

TWO INTERESTING meetings were held in Shanghai on Thursday of last week, one at the Masonic Hall when a Shanghai Fascisti Party of some 200 members was formed, and the other in the Shanghai Club when an equal number of other Shanghai foreign residents also largely British, gave a dinner in honor of Mr. S. Fessenden, chairman of the Shanghai Municipal Council. Since the Fascisti meeting was held in the afternoon, opportunity was given for Mr. Barnard Firth, a British subject who is head of the new organization, to attend the Fessenden dinner and assure the Chairman of the Council of the support of the Fascisti Party. This naturally provided Mr. Fessenden with subject matter for his address, a summary of which appears elsewhere in this week's issue of *The Review*, but parts of which we repeat here for purpose of emphasis. "Some of the most influential foreigners in Shanghai," said Mr. Fessenden, "have a mistaken idea that they might gain greater support for the cause of Shanghai by creating incidents here in the hope that such incidents might lead to more support from Home. Nothing could more seriously hurt the prospects of united action among the Powers to maintain the political and territorial integrity of Shanghai than such ill-conceived incidents. Instead of bringing us greater support, they would undoubtedly result in withdrawal of whatever support and protection we now have." Then a little further on in his address, Mr. Fessenden declared emphatically, "I can tell you tonight that there can be no greater menace to Shanghai than the occurrence of incidents provoked by foreigners. We should see to it that they do not occur. I have been offered the support of the Fascisti organization . . . But I must say that unless that organization is well-managed and restrained, it can do much more evil than good. Mismanagement, lack of restraint, might result in just such a perilous situation as we are all trying to avoid. My advice is to leave the management of affairs here in the hands of those men who have been chosen by the various governments and the ratepayers to conduct them . . . I feel that our conduct must always be justified by law and morals. Often suggestions have been made to me in the hope that something drastic might be done, but when such suggestions were not justified by law and morals, they were turned down. It was suggested to us to invade Chapei and the Chinese city, but such a suggestion could have no basis in either law or morals and was turned down. As business becomes worse, men grow panicky and think of many expedients to save the situation, but we must follow the lead of our officials, who know what can be done, and we must have patience and faith. They will pull Shanghai through."

THESE REMARKS by Mr. Fessenden, which can be interpreted in no other way than as straight-from-the-shoulder advice to those

who would take the law into their own hands, is most welcome at this time. As Mr. Fessenden stated, business in Shanghai is gradually growing worse and men are becoming panicky. It is but natural that certain hot-heads should seek to create incidents in the hope that this would force the hands of the Powers, believing that this might bring relief. As Mr. Fessenden stated, the chances are that any incidents unlawfully provoked by foreigners, would have an exactly opposite effect from what the promoters might hope. It would prove to the outside world that organized government had broken down here, which naturally would be followed by the Powers stepping in with their troops and taking control of the situation. And this in turn would be followed by the creation of a provisional government controlled jointly by the Powers and China, which might very well result in the immediate and complete loss of control on the part of the local residents, and, if conditions remained chaotic, the evacuation of the foreigners completely. Although we have no means of knowing all of the details regarding adjustments in Sino-foreign relations here which are being considered, there is ground for belief that something is to be done shortly to break the deadlock which has been in existence for so long a period. Assuredly a better spirit is prevailing on both sides than has prevailed for many months. It is probably the knowledge that needed adjustments are to be made that has inspired the radical and potentially lawless elements among the foreigners to threaten direct action. The Shanghai Fascisti organization might be of great assistance to the officials here in making the needed adjustments in the relations of foreigners and Chinese, but as Mr. Fessenden declared, "unless that organization is well-managed and restrained, it can do more evil than good." A perusal of some of the addresses delivered at the organization meeting of the Fascisti Party, certainly does not point in the direction of moderation. Therefore Mr. Fessenden is to be congratulated for having the courage to call public attention to the potential menace before it reaches a point where stronger action by the regularly constituted officials of the Settlement and the Powers might be necessary.

MR. THOMAS W. LAMONT AND FAR EASTERN POLITICS

MR. THOMAS W. LAMONT of the American banking house of J. P. Morgan and Company is scheduled to arrive in Japan shortly on a "pleasure trip," to quote from the *Reuters* report announcing his departure from New York. But since Mr. Lamont's trips to the various world capitals are usually followed by reports of loans of considerable magnitude, we are assuming that the real purpose of Mr. Lamont's trip to Japan is for the purpose of assisting the Japanese in the unscrambling of their very serious financial situation. We doubt whether anyone, including the Japanese financiers themselves, understand all of the ins and outs of Japanese finance, which is a combination of modern methods and mediaeval family banking most baffling to the western banker, particularly the American, who is accustomed to thinking of the banking business as an essentially private business. One of the curious phases of Japanese banking is that no bank or large business enterprise in Japan ever fails; the loss is always loaded on to the Government and the final burden is passed on to the Japanese people who pay the bills in the form of increased taxes. Just now Japan is suffering from serious financial complications due to the failure of several banks and indus-

trial enterprises, many of which probably should have failed in the slump and liquidation which struck practically all countries at the close of the World War. But they didn't fail in Japan because the Japanese business men and bankers had sufficient influence to load their losses upon the Government. The whole country is now suffering from this practice and a point has been reached where a complete reorganization is necessary, otherwise the country will be faced by a financial debacle which might shake the very security of the Government itself.

NOW MR. LAMONT, the man who created the International Banking Consortium for China, has arrived in Japan and it is to be expected that he will be consulted by the Japanese financiers on the matter of a financial readjustment in Japan and ultimately a large American loan. This is of interest in China because loans invariably affect foreign policy. The U. S. State Department is supposed to carefully scrutinize loans placed by American bankers in foreign countries, so it is to be supposed that any future American financing in Japan will have the Government's approval. Where the matter of American policy in the Far East may be affected by further loans to Japan, is in respect to Japan's financial obligations on the Asiatic mainland. Although the exact figures are not known, several hundred millions of American dollars have been invested in Japan since the Washington Conference in 1922, and much of this money has found its way into Japanese development enterprises in China, particularly in Manchuria. Just now Japan is faced with a delicate situation in Manchuria and if rumors are to be believed, Japan is trying to put over certain policies in China's Three Eastern Provinces which look very much like the old game of territorial aggression with the ultimate end of annexing this territory into the Japanese Empire. Japanese financiers who have invested American money in Manchuria are undoubtedly using their influence in the United States to prevent America from raising objections to Japanese policies which might well lead to an infringement of the American Open Door Policy. And since the American people have grown to look upon the Open Door Policy in somewhat the same manner as they regard the Monroe Doctrine, an infringement of the Open Door might be fraught with serious future complications.

SINCE unsettled financial and economic conditions in China react upon Japan more than upon any other country, it naturally follows that any plan for financial reorganization in Japan, must also consider China, and Japan's interests in and relations with China. Although there are still a few men of political and military influence in Japan who believe in the old mailed-fist policy of aggression toward China, majority opinion is opposed. Just now the advocates of a 'strong' Japanese policy are in power in the Government, but a perusal of the Japanese press, especially in the industrial Osaka area would seem to indicate that Baron Tanaka and his associates will not be permitted to go too far in arousing the antagonism of the Chinese people. Immediately following the Washington Conference, Japan instituted her so-called friendship policy toward China and much was done to rectify the mistakes of the past as exemplified in the Twenty-One Demands and other ways. But Baron Tanaka, although in office but a few months has already succeeded in again arousing the suspicions of the Chinese. First there was the intervention in Shantung, which broke the

back of the Nationalist military advance northward and now there is the 'positive' policy in Manchuria, which if persisted in is bound to again throw all China into an uproar. In view of the fact that Japan has herself passed through a period in the not distant past which was quite similar to what China is now experiencing from the standpoint of relations with the Powers, Japan should be able to exercise a wholesome influence and leadership in Chinese affairs. But this influence cannot be exerted through the medium of gunboats and bayonets and furthermore there is nothing which would arouse misgiving in America quicker than a persistence of Japan in these methods toward her Asiatic neighbor. There is sound logic in the theory of Japanese-American co-operation in China and there is no reason in the world why Japan and America should not become the dominant factors in the political and economic reconstruction of China, but this can only eventuate in the light of a Japanese policy toward China which is based upon a square deal for China and an enlightened appreciation of China's nationalistic aspirations.

WHY JAPAN WILL NOT AGAIN ALLY WITH BRITAIN

IN VIEW of rumors which have been circulated in the Far East recently regarding a possible renewal of the Anglo-Japanese Alliance, the following from the *Literary Digest* for September 10 is of special interest:

The pivotal point of Japanese diplomacy is the peace of the Pacific, and that, according to a Japanese authority, is why all talk about a renewal of the Anglo-Japanese alliance is mere talk and nothing more. The corollary of the peace of the Pacific, we are also told, is the maintenance of friendly relations with the United States. A Japanese correspondent of the London *New Statesman* declares that because Japan knew that the Anglo-Japanese treaty had been a source of irritation and suspicion to the United States, Japan acquiesced in the abrogation of her alliance with Britain. What was true six years ago is true to-day, in the view of this writer, who declares that the revival of the alliance, even in a modified form, would cast a shadow over the Pacific. Furthermore, it would prove an obstacle to good understanding between America and England, and Japan has no reason to wish for their estrangement. We read then:

"Britishers often miscalculate Japan's attitude toward America. They seem to think that because the immigration question is a thorn in Japan's side, she will eventually appeal to the arbitrament of the sword. They forget that no sensible man will employ a sword to remove a thorn. Japan will never uphold national honor by national suicide. She knows that the immigration question is not one to be solved by war. Surely she is not so shortsighted as to think that an alliance with England will help to solve the question. Japan knows full well that, alliance or no alliance, England will never help her in this respect.

"It has been argued in certain quarters in England that Japan and Great Britain face a common menace in the spread of Bolshevism, and that, therefore, an entente or united action between the two Powers is most desirable. Here again Japan prefers to pursue a different policy. Since she recognized Soviet Russia three years ago she has had no occasion to regret the act. To say that her relation with Russia have been entirely satisfactory would be to put it too strongly, but Japan is convinced that they have been far more satisfactory than they would have been had she been hostile toward the Soviet Republic. Rightly or mistakenly, Japan thinks that Soviet propaganda can best be met by a policy of tolerance and conciliation, not by a policy of antagonism and hostility. Is it not significant that the destructive agitation in China has been chiefly directed against Great Britain, and that Japan has been comparatively immune from it? It is quite possible, of course, that 'divide and rule' is the Soviet policy in China, and that Japan's turn will come in due course. But the plain fact is that so far the Soviet has shown no signs of antagonism toward Japan. Is it wise

for us to invite its enmity by taking steps which it will interpret as hostile?"

As to China, this Japanese correspondent admits that there is a certain community of interest between England and Japan in China, for both have trade to maintain and enterprises to protect. The turmoil in China has been detrimental to the interest of both nations, it is said, and what is more Britishers in the Far East almost to a man believe that this regrettable condition can be put to an end "only by restoring the former cordial relations between England and Japan." Then, rather caustically, this writer adds:

"They have conveniently forgotten that only seven or eight years ago it was they who clamored for the abrogation of the Anglo-Japanese alliance, and who welcomed and even abetted anti-Japanese agitation among the Chinese. In England itself voices have of late been heard advocating Anglo-Japanese cooperation. Only by such cooperation, we have been told, can peace and unity be restored in China, and foreign lives and property made secure. But will it?

"Japan owes much to Great Britain. She is grateful for what England did for her when she was young and inexperienced. But nations, like individuals, can not remain eternally youthful. Japan has long since reached man's estate, and claims a right to independent opinion and independent policy. Unquestionably, the abrogation of the British alliance has accelerated her pace toward the desired independence, for it has thrown her upon her own resources and has developed her initiative unencumbered by outside restraint."

IS IT TO BE ANOTHER 'ALSACE- LORRAINE' QUESTION?

ELSEWHERE in this issue of *The Review* appears an exhaustive discussion of the question of Manchuria, which was written by Mr. Charles Dailey, the well-known correspondent of Peking. Mr. Dailey states that the Japanese Government is basing its protest against the construction of Chinese-owned railways paralleling the South Manchuria line, upon a secret clause which is alleged to have appeared in the Chinese-Japanese treaty of 1905. This clause reads as follows:

"The Chinese Government engage, for the purpose of protecting the interest of the South Manchuria Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above mentioned railway."

On page 554 of MacMurray's compilation of China's treaties, the foregoing treaty clause is cited under the heading, "Alleged secret Protocols to Sino-Japanese Treaty of December 22, 1905." Then in addition to this clause the Japanese are also relying upon a somewhat similar clause which appears in the Sino-Japanese Treaty of 1915 which China was forced to sign as a result of the Twenty-One Demands.

THUS DO we find, when we get down to essentials, that Japan's whole claim for monopoly rights in connection with her South Manchuria Railway, rests upon the insecure foundation of an alleged secret clause in one treaty and a similar clause in another treaty which was forced upon China by duress. Neither of these clauses would stand for a minute before any court of law or arbitration. And if we want further evidence on this subject we have the categorical denial of Mr. Tang Shao-yi, the former governor of Fengtien, who served as the Chinese delegate in the negotiation of the 1905 treaty, that any such secret clause is in existence. According to a recent editorial discussion of this subject which appeared in the *Japan Chronicle* (British)

published in Kobe, Mr. Tong Shao-yi is quoted as stating that the subject *was discussed* in the course of the negotiations preceding the signing of the 1905 treaty, but that China never gave agreement to the Japanese contentions. To quote from the *Chronicle*, "If Mr. Tang's statement is correct, and the agreement has never been made public except in a summarized form, then Japan's so-called rights in this matter dissolve into a pious wish." What apparently has happened in this case is that Japan naturally has been desirous of protecting the South Manchuria Railway monopoly from competition, either by other foreign interests or the Chinese. In order to give her contention plausibility, the Japanese imperialists who are desirous of incorporating Manchuria into the Japanese Empire, have kept on repeating the allegation regarding the clause in the Treaty of 1905. Japan has apparently been able, through propaganda, to make most of the outside world believe that such a treaty clause actually exists. But the fact that the Chinese have continued with the construction of their competing railways, indicates that the Chinese are fairly certain of their position. The Japanese have been aware all along of the Chinese railway construction, but now that the lines are nearing completion, her imperialists become alarmed and fearing that Manchuria may be slipping out from their control, come forward with a new set of demands. There is no question but what this matter is full of dynamite from the standpoint of international politics in the Far East, due to the fact that it involves Russia and China and Japan—and also the United States. Therefore future developments are awaited with much interest, and the least of these developments is the possible reaction of the Nationalists in South China who have been making so much noise about the protection of China's rights.

IT WAS A QUESTION OF HONOR, SO IT SEEMS!

THE *Municipal Gazette*, the official record of the activities (such as the officials choose to print) of the Shanghai Municipal Council, seems to have overlooked the most interesting piece of news regarding Municipal activities which has occurred in a considerable period. And in view of the fact that none of the three morning British newspapers, the *North China Daily News*, *Shanghai Times* or *China Press* had sufficient courage to publish anything about the incident, we reprint the item in full as it was delivered to us (and the other newspapers) by the Japanese *Toho News Agency*:

(*Toho News Agency*)

Shanghai, Sept. 30.

With reference to the incident of September 25 in Hongkew district when two Japanese marine patrols were taken to the Hongkew Police Station by Chinese constables, the Japanese navy authorities here made the following announcement this afternoon:

"Major Hilton-Johnston called on Mr. Yada, the Japanese Consul-General at 2:45 this afternoon and handed to the latter a reply of the Municipal Council of the international Settlement of Shanghai regarding the incident of September 25. Lieut.-Commander Umesaki, staff officer attached to the Japanese landing parties, who was also present at the meeting between Major Hilton-Johnston and Mr. Yada, brought the Municipal Council's reply to Captain Matsumoto, Commanding the Japanese landing parties.

Captain Matsumoto expressed his satisfaction at the reply, and thus the controversy between the Japanese landing parties and the S. M. C. has come to an end.

The contents of the reply are as follow:

1.—Apology by the Deputy Commissioner of Police.

2.—Verbal apology by Mr. Stirling Fessenden, Chairman of the Shanghai Municipal Council.

3.—The commissioner of Police will promise that the Municipal police will not interfere with armed marines of the Japanese landing parties in future.

4.—Mr. Stirling Fessenden, Chairman of the Shanghai Municipal Council, will give strict instructions to the Municipal police regarding the matter mentioned in No. 3.

5.—In case of necessity to examine even unarmed Japanese marines on account of an incident, the Municipal Police shall notify either the Japanese Consul-General or the Japanese Landing parties prior to examination.

6.—Mr. Inton, Sub-Inspector of the Hongkew Station will be disciplined and relegated.

7.—The Chinese constables concerned in the incident will be dismissed or relegated.

IN VIEW of the fact that none of the British newspapers have published anything about the "incident" of Sept. 25, the public is still in the dark as to what happened, but we understand that some trouble developed between a Japanese Marine patrol in the Hongkew district and a Chinese shopkeeper. In the midst of the ensuing row, the Shanghai Municipal police intervened and arrested the Japanese Marine police, and took them to the Police station. The Japanese interpreted this as an "insult to their Emperor" in view of the fact that the Shanghai Municipal Police never interfere with the British or other foreign marine police which patrol the streets of the city. The Japanese immediately sent an armed patrol and surrounded the police station, according to report, and in addition, they lodged an official protest with the Shanghai Municipal authorities and made their protest so emphatic that the authorities of the Settlement hurried over to the Japanese Consul-General and tendered their apologies. This was supposed to have closed the incident, but according to the *Evening News*, local Chinese newspaper, the Japanese Residents Association of Shanghai has forwarded to the Shanghai Municipal Council the following resolution:

"We hereby resolve that the incident which occurred on September 24 when several members of a Japanese Naval Patrol were subjected to unlawful detention at the hands of the Shanghai Municipal Police is due to the ridiculous traditional policy of the Shanghai Municipal Council which is trying to govern a modern city with 75-year-old laws.

"In view of the existing conditions in this great metropolis, we appeal to the Council, which is responsible for the present incident, to bring about drastic reform in all departments of the Police Department, all of which, for many years, have been drifting into corruption."

(Signed). "Second Meeting of the Japanese Residents of Shanghai."

Sale of Narcotics By Japanese Traders

Over 20,000 persons were present in a recent demonstration against the sale of narcotic drugs by Japanese merchants in Shihkiachuan, according to reports published in local Chinese papers.

All Japanese merchants selling morphia and narcotic pills have been expelled from that town. Two of them were placed under arrest during the demonstration and taken to the military headquarters in Tayuanfu. It is understood that they will be delivered to the Japanese consul at Tientsin.

Shihkiachuan is a trading center on the border of Chihli and Shansi provinces, being the gateway to the northern districts from Peking.

According to investigations made by the "Chen Pao," a Chinese newspaper in Peking, there are sixteen Japanese firms in Shihkiachuan selling morphia and narcotic pills. The annual amount of their illicit trade has been estimated by the local Anti-Opium Association at more than \$5,000,000.

The Japanese there had acquired the monopoly for the sale of narcotic drugs from former Fengtien authorities by the payment of \$1,000 every month, but this evil business has been placed under ban since the occupation of Shihkiachuan by the Shansi troops.

The Problem of Japan and Manchuria

BY CHARLES DAILEY

PERHAPS there is no question in China that so excites partisan feeling as that of Japan in Manchuria. If one finds a good word to say for Japan or has even a legitimate criticism of the attitude of China towards Japan, then is he accused of being in the pay of Japan or otherwise under its influence. If on the other hand one points out some of the excesses of Japan or attempts in any way to show where advantage has been taken of China at a time when she is suffering from civil war, from lack of government or from the effort to transform a civilization of four thousand years overnight into a modern civilization on Western lines, then he is accused of being an enemy of Japan, a partisan of China or both. And so when one writes anything at all on the subject of Japanese-Chinese relations he is sure to draw the fire of both sides if he endeavors to state the truth. Both the Chinese and the Japanese are extremely sensitive in the matter of criticism.

There is a considerable fire under the smoke of obscurity in the present situation in Manchuria, and all Asiatics have a way of putting up smoke-screens. There are two important things to be kept in mind. First, Japan is determined at all costs to protect her vested and other interests in Manchuria, and second, Chang Tso-lin is equally determined to grab for himself all that he can of the benefits of the fastest-growing section of China. Also Japan, being Oriental, plays one side against the other flirting both with the Peking and any or all of the so-called Nationalist governments. Likewise also China as typified by Chang Tso-lin plays the South Manchuria railway against the Chinese Eastern railway, with a few little side-issues thrown in.

Japan backed down early in the game in the matter of some of her Twenty-one demands, chiefly because of the pressure of the other foreign powers, notably the United States and Great Britain. Others she has held in abeyance, and some she has pressed—and will continue to press—to the limit. The Washington Conference tied the hands of Japan in the matter of some of the demands, yet at the same time recognized Japan's special interest in Manchuria. Even authorities on international law disagree widely in an interpretation of the Sino-Japanese controversy and some wash their hands of it entirely. So when angels fear to tread it is wisdom for amateurs and workaday writers to soft-pedal many of the disputed points and leave it to the experts to look for misplaced commas or other things that upset treaties, and only too often have been placed there for just that reason.

The Secret Clause in the Treaty

While there are many co-lateral and tributary issues, the main question involves the construction of one of the sections of the treaty affecting Manchuria signed between China and Japan, in 1905 and that has to do with railways. Here is the clause in the treaty regarding the South Manchuria railway that is the nubbin of the dispute:

"The Chinese government engage, for the purpose of protecting the interest of the South Manchuria railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway."

The Japanese government asserts that China has ignored that clause and has completed a line that will take traffic from the South Manchuria railway, with others in construction or in contemplation. These are being built with Chinese capital and mainly financed by the provincial governments concerned.

Now it is the contention of the Manchurian authorities and the Chinese authorities and public generally that the clause quoted and insisted upon by Japan is no contract at all, but one of a series of many demands made upon China in the first decade of this century at a time when China was weak and the Manchu dynasty in its death throes. It easily may have been and possibly is true that some person representing or assuming to represent the Ching dynasty actually signed such a document, but the signatures do not seem to appear in any readily accessible book of record. MacMurray's compilation of China's treaties probably is the most authentic—if not the standard—authority. The clause insisted upon by Japan to-day appears on page 554 of that volume. It with the other demands made at the time is given under this heading: "Alleged Secret Protocols to Sino-Japanese treaty of December 22, 1905."

Also in the Twenty-One Demands

Although the Japanese studiously decline to go into the details of the question at this time, there is reason to believe

that the secret protocol of the 1905 treaty will not be wholly relied upon in this instance, but that dependence will be placed on the 1915 treaty in which there is a stipulation very similar to that in the secret protocol. This treaty also contains a number of other points affecting Japan's "special position" in Manchuria and Mongolia, or Inner Mongolia to be exact, for Outer Mongolia is lost to Russian influence just as Sinkiang, or Turkestan, is also being taken over by the Bolsheviks and is causing the British government no end of worry for fear of the safety of Afghanistan.

One of the disputed lines—which Japan asserts is a violation of the agreement entered into with China in 1905, following the signing of the Treaty of Portsmouth following the Russo-Japanese war, wherein China undertook not to construct any railways in Manchuria parallel or competing with the South Manchurian—is one extending from Takushan, a point southeast of Mukden on the Peking-Mukden railway, towards Payantala, the terminus of a railway built by the Japanese as contractor for the Chinese running almost due west towards Mongolia and on the East connecting with the South Manchurian. The greater part of this new railway is now completed, entirely by the Chinese.

Basis of Japanese Objections

The Japanese protest the construction of this all-Chinese line from Takushan on the ground not only that it will draw traffic from the South Manchurian but also from the feeder Payantala line of the Chinese. For the construction of this latter line the Chinese have not paid, and so the South Manchurian holds a sort of mechanics' lien, and the protest is on this ground as well as the general ground that it violates the 1905 agreement. Such a line would divert traffic to Hulatao and elsewhere along the line from Mukden to Tientsin and Peking.

Another line which is now under construction wholly by the Chinese and a subject of the present controversy extends northeasterly from Mukden to the important agricultural region of Hailungcheng. This was a line which the Japanese asserted the right to construct for the Chinese, and they assert that a loan for this purpose actually was negotiated but spent for other purposes. The Japanese oppose the proposed extension of this line from Hailungcheng to Kirin, as it would give shorter and more direct communication between the Kirin and Fengtien capitals than the present route via Changchun.

An immediate cause of the recent friction between Japan and the Manchurian government was the opening for passenger and freight traffic on September 3 of the new railway between Mukden and Hailing. The inaugural ceremonies were attended by General Yang Yu-ting, chief of staff to Chang Tso-lin, and Mo Teh-hui, civil governor of Fengtien.

This line, which parallels the South Manchurian, was built entirely with Chinese capital, raised in the Manchurian provinces. The Japanese repeatedly protested its construction as a violation of the treaty concerning the South Manchuria railway. The Chinese contention was that nothing in the treaty prevented the building of railways anywhere by the employment of Chinese capital and that the treaty aimed only to prevent the exploitation of Manchuria by other foreign powers.

The further extension of this railway, linking Kirin with Hailing, is stubbornly opposed by Japan, for with this line completed the Chinese would have through rail connection from Kirin to Peking via the Peking-Mukden railway. It was estimated also that with the completion of this line at least one-third of the soya-bean traffic now handled by the South Manchuria railway from Kai Yuan to the port of Yingkow would be diverted to the Hailing-Mukden line.

Regarding recent construction, it is pointed out that the newly-completed railway between Chengchiatun and Taonan and between Taonan and Tsitsihar, on the Chinese Eastern railway to the west of Harbin was built by the South Manchuria railway as a contractor for the Chinese, who are now operating it. Taonan is near the border of Manchuria and Mongolia and is important in the matter of future development of that region. When a connection is established with the Chinese Eastern railway at Tsitsihar, a question still in bitter controversy, traffic from Siberia now being carried on the Chinese Eastern through Harbin and turned over to the South Manchurian at Changchun might be delivered at Tsitsihar and carried over the newly-completed line for delivery to the South Manchuria at a point much nearer Mukden. The completion of the connection between Tsitsihar and Ssuningkai opens a great territory for development and immigration and important traffic possibilities to the port of Dairen.

Another Link in the Chain

Another important link in the chain of Japanese railway development in Manchuria is the extension of the Changchun Kirin line to Tunhua and thence on to the Korean border—and by connection with the Korean railways to the seaports nearest Japan. This railway in Kirin province also is being built by the South Manchuria railway for the Chinese.

Both these lines offer competition to the Chinese Eastern railway and the port of Vladivostok, so that Russian-Japanese friction later may result should Russia put her house in order as she some day must do. But there is another factor, more important at the present time owing to the Chinese construction of some railways and the contemplation of some others that would in a sense parallel the South Manchuria and detract from its traffic possibilities.

Chinese-Eastern Plans

In order to compete with the South Manchuria railway and thus bringing the Manchurian-Japanese issue to a crisis, it was announced early in September that the Chinese Eastern railway contemplated the immediate construction of four branch lines as feeders. These were described as follows:

1—The Sanhsin-Memha railway, starting at Sanhsin, a port on the Sungari river, and running to Memha, a station on the eastern section of the Chinese Eastern. The length of 170 miles.

2—The Sanhsin-Moutankiang railway, also starting at Sanhsin and extending for 150 miles into a timber and cereal country. Sanhsin is at the confluence of the Mutanking with the Sungari.

3—The Chaotung-Mankiang railway, starting from Mankiang on the western section of the Chinese Eastern and extending to Chaotung, a port on the Amur river. The length is given as 300 versts.

4—The Haisen-Anda railway, extending from Anda, 119 versts west of Harbin, to Haisen, a distance of 134 versts and also tapping a cereal-producing territory. As early as 1913 the production of soya beans, wheat and white beans in the Anda region alone totalled yearly 600,000, 1,265,000 and 250,000 bushels annually. This traffic has grown tremendously since then and the tributary territory likewise is coming rapidly into heavy production.

Just how and under what direction the campaign against Japan was launched in Manchuria is not otherwise exactly clear, but there seems to be ample ground for the charge made by the Japanese that it was due to the activity of the Chinese officials. The positive assertion is made that house-to-house visitations were made by representatives of the Mukden government and the people roused for mass meetings and for anti-Japanese propaganda, boycotts and the like. The Japanese replied to the picketing of Japanese shops by the rushing of police and gendarmes from the Kwantung leased territory and reinforced the police in the railway zone. The Peking government, being dominated by Chang Tso-lin, made no speedy effort to restrain the demonstrators. It was many days after the outbreak and the force of the demonstration had spent itself before General Yang Yu-ting, chief of staff to Chang Tso-lin, went to Mukden to investigate.

Is the Agitation an "Inside Job"?

These and other circumstances give currency to the belief that the whole affair was an "inside job". Of course, it is true that Japan made three demands recently regarding Manchuria, but they were not made to the Peking government. Instead Japan dealt directly with the Manchurian authorities, and when Minister Yoshizawa entered his protests he did not go to the Foreign Office, but direct to the Generalissimo, Chang Tso-lin. Since Chang Tso-lin is the Peking government little attention was paid to this seemingly irregular proceeding, and General Yang Yu-ting explained that the questions dealt only with local matters in Manchuria and could be handled by the Manchurian authorities. All of which strengthens the belief that the Manchurian Tiger is himself playing Chinese politics with Japan as the cloak.

Although the Tanaka government has announced a "Positive policy" in Manchuria and its purpose to assert Japan's treaty rights to control of the railways, forests and mineral resources of Manchuria and Mongolia, there is better reason to believe that the present situation in Manchuria was brought about by the Chinese and not Japan. Japan has announced, it is true, her intention to pursue "at whatever cost" her policy in Manchuria and will hold China strictly to the terms of all the treaties, whether forced or not.

Yet there is definite reason for the statement that it was China which provoked the demonstrations of the first fortnight in September and that they were organized by the Fengtien authorities for political motives. The Chinese, as do most other Orientals, never use the direct approach and always screen their movement. Often one must look in the very opposite direction. So in this case one must look towards the Yangtze and not towards Manchuria. Chang Tso-lin has Manchuria well in hand; by force of circumstances he was compelled to take over Peking and whatever Central government it controls. To gain more provinces that will remit to Peking he must take advantage, and quickly, of the dissolution of the Kuomintang into a scattered group of militarists, much as exist in the North, and held together only so long as revenues—and riches for the militarists—come from a central source.

Chang "Flirting" With the South

Now, Chang Tso-lin is courting various commanders or provincial leaders who lately have been aligned or flirted with the Canton-Wuhan-Nanking-Shanghai governments or whatever may come out of the wreck of them. It was in the territory of these groups that the anti-Japanese campaign and boycott had its greatest success. By suddenly stiffening up against Japan in Manchuria it is quite probable that Chang Tso-lin can win over to his cause some of the leaders in the Yangtze provinces. In such an event he might, when he has succeeded in the effort, about to take form, to drive Feng Yu-hsiang out of Honan; when Chen Taio-yuan in Kiangsu and Anhwei provinces comes back into the fold, and a few other moves that are on the board come into the open—in such an event he might exercise a fair share of control in the Northern provinces, keep Yen Hsi-shan as a passive supporter, pave the way for Wu Pei-fu to reorganize Yang Sen's armies for a descent upon Hankow and become a real power.

The Chinese always will unite against an outsider, and it is quite possible that Chang Tso-lin is merely baiting the Japanese at this time. There are always possibilities for "loans," and it is not new to Japan to assist in such loans and thus actually cement her "special position" in Manchuria and Inner Mongolia.

The Japanese Offer to Chiang Kai-shek

The Shanghai faction of the Nationalist government seems to have had some inkling of this. Only recently a friend in Shanghai who is close to the faction now sitting there, wrote me that as far back as last Autumn, after Hankow had been captured by the Nationalist armies, the Japanese had offered them a loan of \$30,000,000 provided they would remain out of Manchuria after they had succeeded in occupying Peking, which before the split in the Kuomintang seemed not only possible but probable.

But according to the informant the Nationalists, having then a good support-gaining argument in the Japanese boycott, refused to make such a stipulation. So the wily Japanese bided their time and when the armies of Chiang Kai-shek started their drive up the Tientsin-Pukow railway with Peking as the objective and the metropolis already being undermined, as was Tientsin, the Japanese retaliated by throwing a brigade of troops right across the Shantung peninsula to Tsinanfu, thus blocking the advance of Chiang Kai-shek and leading to his retreat and eventual retirement as a military figure.

Now the story from Shanghai goes a bit further. Minister Yoshizawa was called to Tokyo after the failure of the alleged Hankow negotiations, and after the conference there which fixed Japan's "Positive policy" in Manchuria, he returned to China, not directly to Peking, as might have been expected after so long an absence, but to Nanking, then a capital of one of the Kuomintang factions, although not functioning much in spite of the dissolution of the Hankow government. Soon after the visit to Nanking came the withdrawal of the Japanese troops from Shantung, and then Mr. Yoshizawa came to Peking. Of course, the belief in Shanghai was that Mr. Yoshizawa made a new deal with the Shanghai-Nanking factions in order to have something to play against Chang Tso-lin and thereupon goaded him and brought about the demonstrations in Mukden.

Yoshizawa Refuses to Talk

I have tried to get Mr. Yoshizawa to talk on this subject in an effort to separate the news from the propaganda, but he is a greater sphinx than ever. Yet I still believe that while Japan has several cards up her sleeve and will play them in time the recent Mukden demonstrations were staged by Chang Tso-lin for reasons already stated. Not for a moment can one believe that Japan has come to an understanding with the Nationalists in return for Manchuria. Japan may have "played" Chang Tso-lin, but likely as not Chang has "played" Japan against his chances to hold the line of the Yangtze. Time will tell.

Jotaro Yamamoto, the new President of the South Manchuria railway, visited Manchuria early in September and was to have been welcomed in Mukden by the Japanese there. The anti-Japanese demonstration was staged just as he was about to arrive. Now Mr. Yamamoto was in Manchuria, going as far as Harbin, not only to look over the railway, its connections and its traffic possibilities but also to make a pronouncement of Japan's "positive policy" in Manchuria especially as regards any competition for the railway. Mr. Yamamoto talked a great deal whenever he could get an audience, and she was denied one in Mukden because of the "demonstration" that were arranged.

Most of the Japanese Press correspondents in Manchuria were completely deceived by the manoeuvre. One veteran correspondent, then in Tokyo, wrote me that war between Japan and China was almost certain to result. "In that event," he wrote, "I would be with the Japanese army and I assume that you would go with the Chinese troops. Of course, Chang Tso-lin may back down, hand the disputed railways over to

Japan and be a 'good boy' again, in which event Japan will blanket Mongolia as well as Manchuria with railways and be in economic control. This would best suit the Japanese, who would like to get Manchuria without an open fight; but they are ready to fight."

That quotation shows how thoroughly Tokyo was impressed with the outlook and the Ambassadors and the foreign correspondents kept the cables hot for some days. Over in Peking, where covering wars is no longer a novelty, the correspondents, being "hard-boiled," sat tight and began to look for the "nigger in the woodpile." Perhaps each has found a different African, but not one of them got out his campaign togs and his bedrobe.

Mr. Yamamoto, although necessarily cutting out Mukden from his itinerary, addressed the Japanese colony and all others who cared to hear him in the Japanese settlement near the South Manchuria station and did not enter the walled city in an official capacity. His argument was good and his words choice, setting forth not only the aims but the necessities of Japan. Not being a diplomat but a man interested only in traffic and railway development he talked right to the point.

Japan, he said, is increasing at the rate of a million a year and must have an outlet for its population. In this he pulled the old line of stuff we have been hearing for years. Any one who knows Manchuria or Japan knows that Japan never can colonize Manchuria. In the twenty years that Japan has been in Manchuria fifteen millions of Chinese have moved in from Chihli and Shantung province, and hardly more than fifteen thousand Japanese outside the leased territory and railway zone. The Japanese as small traders and as laborers never can compete with the Chinese on their own soil, and the thinking Chinese all know it.

What Japan is After

Besides, the Japanese are very particular about climate. They are not so adaptable as the Chinese, who can live in any climate. They like the mild climates like the west coast of the two Americas; they will not emigrate to the fertile Hokkaido, one of the main islands close to hand, and with a climate very similar to that of the American Dakotas; they will not go to Saghalien, where the winters are very severe. So why should they go to Manchuria except as employers or as merchants? Mr. Yamamoto did not stress this point when emphasizing Japan's need of room for her fast-growing population.

But plain speaker that he is, Mr. Yamamoto did get down to the nubbin of the thing and made Japan's position much clearer than any one ever has done before. With the population increasing at the rate of a million a year, the two islands of Japan with the mildest climate face a shortage of arable lands and consequent food shortage. Food is the most important question in Japan to-day, he said. Manchuria has vast fertile tracts and capable of producing the food and raw materials required by Japan. Therefore if Japan can develop Manchuria she can insure not only her food supply, but obtain raw materials to keep her industries going at home.

Japan imports annually from India and Australia food products and such raw materials as wool, timber, iron ore, etc., to the value of 700,000,000 yen, said Mr. Yamamoto, and these same products are to be found in abundance in Manchuria and Mongolia, and since they are close at hand and Japan has an abundance of cheap and efficient labor the natural tendency would be to develop these regions and transport the products to Japan. The Chinese immigrants to Manchuria and Mongolia require employment and a market for their produce and since Japan is in need of the food and raw material there is a mutual attraction.

Resources Are Japan's Aim

Mr. Yamamoto at least has made the situation clear by casting aside the old camouflage of Japan requiring an outlet for her surplus population. What Japan wants is more territory and workers to provide food for her people, and that was the motive that prompted the forcible annexation of Korea. He would save the annual expenditure of 700,000,000 yen by Japan by the exchange of Mongolian and Manchurian products for the output of Japan's manufactures. And throughout his talks he stressed also the doctrine of the open door.

Figures compiled by the South Manchuria railway company give the following statistics regarding the population of Manchuria, excluding Jehol (Inner Mongolia) and the Kwantung leased territory: Fengtien, 11,979,400; Kirin, 5,638,600; Heilungkiang, 2,494,000; total 20,112,100. In Jehol the population is 4,366,000 and in the Kwantung leased territory 725,000. Nearly fifty percent of the area is not yet under cultivation.

How accurate the Japanese figures are it is not possible to state, owing to lack of Chinese statistics. However, the Civil Governor of Fengtien puts the population of that province at 14,774,126, which is 2,794,726 higher than the Japanese estimate. This may include the population of the Kwantung leased territory, and the Korean population in Fengtien.

According to recent figures published in the *Chinese Economic Bulletin* the number of Korean farmers emigrating into Manchuria from the first of this year up to the end of July reached 543,064, an increase of 15,000 as compared with last year's figures. The new immigrants were distributed as follows: Fengtien province 136,549; Kirin province, 50,431, and Chentao district 356,084.

Few Japanese Settlers

There is no recent accurate record of the Japanese population outside the Kwantung leased territory, but very few are immigrants in the strict sense of the word. Mostly they are business men and traders. The Bank of Chosen reported recently that at the end of May the number of Japanese business companies in Manchuria exceeded 1,000, with an aggregate capital of 578,543,000, yen being an increase of 180 companies and a decrease of 5,059,000 yen compared with the same period last year. The business interests were classified as follows: Farming, 27; Marine products, 8; Commerce, 584; Industry, 292; Mining, 14; Transportation 83, or a grand total of 1,008.

Another source of irritation to the Chinese is the establishment of a Japanese Consulate at Linkiang, a city on the right bank of the Yalu river. The Chinese objected to the establishment of a Consulate there and created such a disturbance about it that the Consul was compelled for his own personal safety to cross to the Korean side of the river, where he still sits as this is written waiting until the situation calms down.

Even in this case there are two sides to the story. Not long ago the Chinese Commissioner of Foreign Affairs at Yenching complained that the police in that region of Kirin were suffering from roving bands of Koreans seeking to settle in that region. He pointed out that at that time (June) there were 1550 Koreans in Hueichunshen, 2175 in Wangchinghsien, 2650 in Yenchihhsien, 2267 in Tungninghsien and urged that steps be taken to stop that immigration.

The Linkiang Consulate Question

Japan, for the double purpose of protecting its Korean "subjects" or vassals, all depending on the viewpoint, decided to appoint a Consul for the Linkiang district. Linkiang is an important crossing from Korea into the Kirin region, which is fast developing. But the chances are the Consul is more of a political agent than a Consul. Korean malcontents have a habit of massing on Manchurian soil for occasional raids on the Japanese police in Korea, whose rule they despise, and so a close watch is kept. Since Admiral Baron Saito became Governor-General of Chosen the brutalities of the Japanese police towards the Koreans have been restrained and conditions have improved. Still, the Koreans have long memories, so in all probability Japan is taking no chances and hence her desire to maintain a Consul at Linkiang.

One more issue in the Manchurian situation is the desire of the Mukden authorities to bring about the removal of Japanese extraterritoriality in Manchuria. Toward the end of May of this year General Yang Yu-ting publicly announced that since the Mukden government had elevated her judicial status to modern standards—which statement quickly will be disputed—it would be to the material profit of Japan if she would relinquish the treaty rights of her 200,000 subjects in Manchuria, this total including those in the Kwantung leased territory and such cities as Dairen and Port Arthur.

General Yang dispatched Dr. Chao En-pai to Tokyo to sound out Japan on this question. He argued that Japan would no longer be compelled, by accepting Mukden authority, to maintain her large body of consular-judicial representatives in the three Manchurian provinces. Dr. Chao is a Japanese-trained student, and obtained his Doctor's degree in Tokyo, where he has many friends. He was warmly received by the Premier, Baron Tanaka, but as for encouragement in the abolition of extraterritoriality he received absolutely none.

The Currency Question

Wholly aside from the railway and other exploitation issues in Manchuria there is another serious cause of friction between Chang Tso-lin and the Japanese. That is the question of currency. Because of its stability the Japanese wish to use the gold yen as a basis, with the silver exchange based on the bullion value of the Yuan dollar. But in order to finance his undertakings in Manchuria Chang Tso-lin has put out more than half a billion dollars of Fengpiao, or Fengtien dollar notes, and insists upon their use. There has been constant friction with the Japanese over this currency, which has declined as low as 9 cents on the dollar.

The Fengpiao are issued by the Official Bank of the Three Eastern Provinces, and up to the end of April, 1914, the total issue was \$8,700,000. According to the Chinese Bureau of Economic Information these reached by 1917 a total in excess of \$10,000,000. Then came a reissue in an effort to avert the decline, as business was sadly disrupted. Since 1917, the amount of these notes outstanding has steadily increased, with

a proportionate decline in value and in November 1925, had reached a total of \$511,725,000 and the issue practically had become an irredeemable one. This continued issue of irredeemable notes naturally has caused an increase of friction between the Japanese and the Manchurian authorities and is a contributing cause to the present dispute.

Repeated efforts have been made to stabilize the Fengpiao, and it was said in late May of this year, when the total issue was then stated by the Manchurian authorities to be \$400,000,000 (although actually believed to be much more), it was proposed to redeem the entire issue for the sum of \$40,000,000 or ten per cent. of the face value. This was to be accomplished by collection of a salt tax which was expected to yield \$50,000,000 annually. Meantime it was proposed that the Maritime Customs surtax authorized by the Washington Conference should go towards the stabilization of the Fengpiao. At the same time, it was also proposed to coin more silver dollars at the Mukden mint.

Chang Also Takes The Salt

But nothing seems to have come of this scheme. The salt revenues of Manchuria are still seized entirely by Chang Tso-lin for his military needs. Lately it has become necessary, in order to preserve discipline among the Mukden troops, to pay them 30 per cent of their wages in silver currency and the remainder in Fengpiao. This extra money comes from Peking, being obtained from the Peking Octroi, the "express-extra" fares of the Peking-Mukden railway and other sources of revenue under the control of the Generalissimo. How long this state of affairs will continue no one is willing to forecast, but that the Fengpiao is irredeemable is generally admitted, and until some form of stable currency is established in Manchuria friction between the Japanese and the Mukden Warlord is certain to continue.

In addition to his direct conferences with Chang Tso-lin, Minister Yoshizawa sent a formal note to the Chinese government about September 10 demanding the right of Japan under her contracts to extend the Kirin-Tung-hua railway to the Manchurian-Korean frontier, which later was discussed by the Cabinet and referred to the Foreign Office for negotiation with the Japanese Legation. Coupled with this reference was a telegraphed protest from the Kirin Provincial Assembly against the Japanese demand.

At his conference with the Generalissimo Mr. Yoshizawa demanded the immediate suppression of the anti-Japanese demonstrations in Manchuria, as otherwise Japan would be forced to "adopt adequate measures" for the protection of Japanese interests in South Manchuria, the value of which he placed at \$200,000,000. He intimated that unless the Dictator assumed full responsibility for the suppression of the anti-Japanese demonstrations the Tanaka government would be compelled to dispatch Japanese troops to Mukden and other affected point for the suppression of anti-Japanese demonstrations, parades and the picketing of Japanese business houses, reiterating that these were encouraged by the Fengtien authorities.

Domestic Politics on Both Sides

While it had been the feeling in Peking that the demonstrations were staged more or less as a means of affording a natural outlet for Chinese expression against Japan at a time when Chang Tso-lin was angling for support from some of the wavering provinces along the Yangtze, yet the situation was such that it was having a serious effect upon politics in Japan and the Tanaka government was in danger of being challenged by the rival political party. It was difficult to restrain the demonstrators once they had license, and by mid-September indignation meetings had been held even in Taonan, on the Mukden-Tsitsihar railway, entirely out of the disputed zone, on a line built by the Japanese under approved contracts and now in operation.

A contributing, if not the provoking cause of the demonstrations in Manchuria was the reported decision of the Tanaka government to unify the four administrative organs in Manchuria, these being the South Manchuria railway, the government of the leased territory in Kwantung, the headquarters of the Kwantung garrison and the Mukden Consulate-General. This was taken as proof that the "positive policy" announced by the Tanaka government meant military control over the entire region and a free hand for exploitation. Even in Japan objections to this course were so pronounced that the Cabinet decided to drop the whole question for the time being and to await a more suitable moment both in Japan and in Manchuria.

Inasmuch as Manchuria is virtually a separate entity it is likely that this decision will be modified to the extent that the Japanese Consul-General in Mukden may negotiate directly with the Manchurian authorities. Since China is deteriorating rapidly into a system of regional control by the several warlords, this policy as regards all parts of the Republic is becoming more and more discussed, and in fact many issues affecting the several powers already have been decided by

regional conferences between the Consuls or the Consular body and the local government. This has been particularly true recently both in Shanghai and Hankow, and for a long time Canton has been so dealt with.

It will be seen from what has gone before that much is being done to cloud the issue. In the first place Manchuria is developing so rapidly that as a leading international banker in Peking recently pointed out, and as officials of the South Manchuria railway since have frankly admitted, there is room for all the railways that can be built in Manchuria, whether they compete with the South Manchurian or not, and also if the port of Hulatao is completed—a task requiring some years and many millions of dollars—the traffic out of Dairen will have become so great that the competition from Hulatao will not be opposed.

Twenty-One Demands Still Fresh

The more one looks into the present question from the standpoint of future possibilities, the more one is concerned with the fact that what Japan really wishes is to hold China to her contract—forced upon Yuan Shih-kai, it will be recalled—which gives Japan the prior right in future railway construction. As time goes on it is realized that the enforcement of all these demands would require an outlay of more capital than Japan can amass, and that other financing not only will be required, but sooner or later will be welcomed.

Aside from the games of home politics that both China and Japan are playing, it must not be overlooked that China is already a delinquent to Japan in the matter of assisting in Manchurian development, and is using the present situation to press for the payment of money advanced for construction purposes. Some of these lines are already earning money, but the revenues are being diverted by Chang Tso-lin for military and other purposes and Japan is getting nothing at all. One must follow the trail of the dollar to get the truth of any movement in China, for both the Chinese and the Japanese are experts in the matter of political and financial camouflage.

It has remained for Mr. Y. Matsuoka, the recently appointed Vice President of the South Manchuria railway, to somewhat clarify the situation in this respect. Mr. Matsuoka formerly spent a number of years in Manchuria as a director of the railway and has been a factor in the railway and other development there. His return forecasts a renewal of these activities.

"The annual increase in freight traffic by the South Manchuria railway," said Mr. Matsuoka within the last week, "has mounted in recent years to 1,200,000 tons annually. It is entirely reasonable to assume that the increase in the next ten years will amount to more than ten million tons. There is certain to be traffic enough for all the railways now built or contemplated in Manchuria under the present scheme. There is no reason why the Sino-Russian owned Chinese Eastern railway should fear the newly-completed Tsitsihar-Taosan line, and the questions between the Chinese and the Japanese are important mainly as a matter of principle."

Chinese Immigration to Manchuria

"It must not be overlooked that for a number of years past the number of Chinese emigrating into Manchuria from Shantung and Chihli provinces has been between 300,000 and 400,000 annually, although some of this was seasonal labor. More recently conditions in Shantung especially have become so intolerable that great masses of the population are coming into Manchuria to seek the vast tracts of uncultivated arable land and the opportunity to found new homes and make a living. This year alone the immigration will be 800,000 or more. All this must certainly result in a tremendous increase in Manchurian produce. I firmly believe that this increased land development and resultant traffic will justify the building of 5,000 miles of new railways in Manchuria in the next ten years."

"So you will see that in the matter of construction of new railways by the Chinese the question of principle is the predominating feature so far as Japan is concerned. The building of the Kirin-Hailungcheng line is in disregard of Japanese rights and interests. The Chinese have acted as if these rights did not exist. Necessarily Japan must feel that the Chinese are bound not only by their legal but also by moral obligations to observe Japanese interests in Manchuria which are clearly defined by agreements and treaties."

And then came a distinct warning to China, for Mr. Matsuoka went on:

"If Japan should now suffer the Chinese to disregard her rights in the present instance, a precedent may be established which may lead eventually to a desire upon the part of the Chinese to drive the Japanese out of Manchuria altogether. This would create a situation where Japan may have to call to the attention of the Chinese the fact that after all Manchuria is historically entirely distinct and separate from China proper and that it may be necessary to deal with Manchuria as such."

Japan May Annex the Area

Right there you have the meat in the cocoanut so far as Japan is concerned. If necessary, and Japan feels that she is powerful enough, Manchuria may be treated as a vassal state—and annexed, just as Korea was but a few years ago. And if Manchuria, why not Mongolia if only Russia can be appeased?

"Manchuria is increasing her productivity so rapidly," Mr. Matsuoka pointed out, "that the new as well as the existing lines will have all they can do to handle the increased traffic, and the talk of danger of competition will be found to be exaggerated. The Japanese are as eager as are the Chinese themselves for the development of Manchuria, which will furnish for Japan a great source of raw materials for her factories and concurrently develop a great population which will be the purchasers of her products manufactured from such material."

The Chinese quickly interject a reply to this that the Chinese can and will, with their cheaper labor, turn the raw materials of developing Manchuria into their own manufactures. But Mr. Matsuoka continues further and points to the treaties and forced agreements, saying:

"So the Japanese are interested in seeing railways increase in Manchuria and will be willing not only to see the Chinese build railways but to assist them to do so, if such assistance is wanted, provided only that the Chinese abandon their present attitude of high-handedly disregarding and overriding the Japanese interests which exist by virtue of long-standing agreements and treaties."

Peking Sept. 19, 1927

The Child-Labor Byelaw

To the Editor of *The China Weekly Review*:

Sir,—I should be glad if you will publish this letter in your next issue as a means of correcting the impression which your editorial comment on the recently published brochure of the Joint Committee of Shanghai Women's Organizations has caused.

In the preparation of this pamphlet, the Joint Committee has studiously avoided any expression of opinion upon what has proved a highly controversial question. The aim has been to gather the records which have up to now remained in the files of the Joint Committee, so that the pamphlet may stand as a source document for the use of students of the subject, and for those who may in the future, from whatever approach, attempt to work for the regulation of hours of children workers in Shanghai.

In pursuance of this purpose there have been published in the pamphlet five appendices to which the text makes reference. The last of these sets forth "extracts from the manifesto of the Chinese General Chamber of Commerce of Shanghai, May 29th 1925, regarding resolutions 3 to 6 submitted to ratepayers of the Shanghai Municipal Council." The concluding sentence is the expression of the opinion of this body. It states: "The child labor byelaw is approved by us in principle, but we suggest that the Shanghai Municipal Council enforce China's provisional law governing factories instead of making a new law in this matter. It should also plan for the proper education for poor children so as to prevent them from degenerating into vagabonds, thieves or beggars."

In your comment in your issue of September 24th in which you state that the Bulletin "reserves its most important recommendation for the last paragraph," it would seem that this is the opinion of the Joint Committee and not of the group referred to. May I repeat that the effort of the Joint Committee has been to produce a historical statement of the events as they occurred?

ELEANOR M. HINDER,
Corresponding Secretary.

Shanghai, Sept. 29, 1927.

Japanese Investments in Manchuria

The South Manchuria Railway, according to plans at present formulated, is to become a holding company for various Japanese business enterprises in Manchuria, in which Yen 440,000,000 are invested.

The amounts of investment in various enterprises follow:
(000s omitted)

Railways.....	Yen 125,039
Factories	11,984
Harbors and ports	49,783
Mining.....	129,127
Iron works	45,902
Hotels	2,766
District enterprises	75,360

(The above figures are reprinted from the issue of *The Review* of September 24, in which the amounts were erroneously given as being pounds sterling.)

Recent Soviet Activities In Northern Manchuria

BY ALBERT Y. HUGH, PH.D., LL.B.

SINCE Russia has come under the management of the Bolsheviks, her foreign policy of aggression and territorial ambition remains the same as ever, except that the method of procedure and the slogans employed are a little different from those of the former regime. An examination of a few of the recent Russian activities in Northern Manchuria will prove what we say here is not exaggerated.

The whole world is now struggling between two forces, the old and the new types of imperialism. Britain represents the older type and Soviet Russia is the representative of the newer type.

The imperialism of the old type is primarily capitalistic, a product of the nineteenth century; it is individual aggression plus Governmental protection and encouragement. On the other hand, the newer type of imperialism is collective aggression, as it is a conspiracy of a group of individuals for the purpose of political domination not of a single nationality or race alone, but of the whole human race as well. This second group of aggressors base their activities on certain principles and slogans invented by their forerunners and leaders. It is not the purpose of this brief article to discuss their principles and slogans, so a simple mention of them here is sufficient for our purpose.

The British Empire, of course, is a great hindrance to world democracy; it controls a great portion of the human race, refuses to give the people under its control any chance for self development, instead, the rulers of the British Empire and the ambitious individuals under its flag are attempting to exploit its subject races to the greatest limit whenever and wherever they have a chance to do so. This, indeed, is a great obstacle to world democracy and international good will.

So much blame for the British Empire; but how about Soviet Russia, who avowed herself as the defender of the oppressed races and the friend of the weak? How much truth is there in her slogans of fighting for humanity? The Anglo-Saxon, though ambitious and drastic, yet many of his activities are openly done. On the other hand, our Muscovite friend preaches one thing and practices another. Nationalism is being preached by the Muscovite in the Chinese Republic with two different meanings. In China Proper it means that the imperialists like the Anglo-Saxons and the members of the other capitalistic nations must let China alone to fight out her own destiny and in all circumstances they should keep out of China if they would not agree to this idea; but in Mongolia, another part of the Chinese Republic, the theory of nationalism has a totally different meaning altogether; it is true, of course, in Mongolia they also advocate the slogan of "Down with Imperialism," and other such ideas, but in Mongolia, the imperialists are not the Anglo-Saxons or the representatives of the other nations, but the Chinese themselves. How curious it is, in a country under the same flag, our Muscovite friends are preaching one theory with different meanings. Is this hypocrisy or "defending the oppressed", or "fighting against imperialism?"

Muscovites Still Aggressive

The Muscovite of to-day is, in all respects, the same as what he was during the Czarist regime. The title of his country may be changed, but the ambitious and aggressive attitude of the rulers remains the same as ever. The world should distinguish between hypocrisy and sincerity. What rights the new regime in Russia has given up are simply to bargain for something more worthwhile. Aside from this the new regime still holds on to all that the former Czarist regime had bestowed upon her. In many instances this new regime becomes even more aggressive than its predecessor.

The Muscovite has been a thief along the Chinese frontier for more than four centuries. He has a customary habit of removing the boundary stones along the Russo-Chinese frontier for thousands of miles; as a consequence, the area of his Empire becomes larger as the years go by and that of the Chinese Empire becomes smaller and smaller. It was only seventy years ago that the territory of the size of present day Manchuria lying north of the great Amur River was stolen from the Chinese Empire by removing the boundary stones, so was that piece of great territory lying beyond the Altai Mountains lost by China due to a similar method employed by the Russians. This was, of course, being done during the imperialistic Czarist regime.

Now this same method is being employed by the Bolsheviks, who claim themselves to be defenders of human justice. Northern Manchuria is now experiencing the same old game again. According to Chinese reports from Harbin the Russians have now again invaded Chinese territory along the fron-

tier of northeastern Manchuria, varying from three to ten miles, at different places.

According to the Sino-Russian Boundary Convention of 1912 the boundary line of the two nations was agreed upon to be the middle of the Ussuri River and Lake Hsingkai, however, two-thirds of this lake belongs to Russia and one-third to China. The area of this lake is about three hundred square miles. As the Chinese northeastern frontier is still thinly populated and the officials of administration are stationed rather far away from the boundary, now the Russians have crossed to the Chinese side all along the boundary line varying from three to fifteen miles, and in some places on the Chinese side of the boundary. Russian houses have already been constructed and Soviet troops are now occupying this invaded area. This condition was discovered by a Chinese frontier commissioner, who was appointed by the local *Taoyin* of that part of the country to inspect the Chinese boundary.

As to Lake Hsingkai, the Soviet authorities have also practically occupied its whole area, and are now policing the same with motor boats. This lake is a rich fish producing area, and formerly there were many Chinese fishermen catching fish in it. But now, since the Soviet authorities have occupied it, the Chinese fishermen are being driven away from there, except a few who are still fishing on the Chinese side of the coast, but they cannot go into the lake anymore. If they should go into the lake again, their boats would be confiscated and they themselves would be captured and sent across the boundary to be slaves. After this condition was discovered the local *Taoyin* protested to the local Soviet military officers, but to no effect. It is reported that this matter will be brought up by the Chinese diplomatic authorities at both Peking and Moscow for settlement.

Soviet Troops Along the Border

The number of Soviet troops now stationed around the Lake Hsingkai district and along the Ussuri River frontier is as follows: one artillery corps consisting of about 3,000 soldiers, one regiment of infantry of about 1,000 soldiers, and one regiment of cavalry of about 3,000 soldiers. As to the Chinese force which guards that region it consists of the 21st Brigade of the Northeastern Army, and is located near Mishan, a district near the Ussuri River about 15 miles from the Soviet army headquarters.

Relations between the two peoples in the region have been stopped for several months, and trenches are now being dug by the Chinese troops near the Mishan district. All along this part of the frontier, Soviet troops and Russian armed bandits occasionally come over the Chinese side to cut timber from the forests, to line-up with the *Hunghutze* bandits in order to make trouble for the Chinese authorities, and sometimes even capture the Chinese settlers on the Chinese side and send them across the boundary to be slaves.

Formerly the Ussuri River was navigated by both Russians and Chinese, but now since the recent invasion of the Russian troops into Chinese territory, the Chinese boats have practically all been driven away from that river. So whatever navigation there is, is now practically all controlled by Soviet interests.

Reports from Haiho, a city situated on the southern bank of the Amur River, state that all along the northern bank of the Amur River there is now a conscription by the Soviet authorities of all adult males from the ages of fifteen to forty for military service. The Soviet authorities are doing this under the pretense of safeguarding the northern bank of the Amur against *Hunghutze* bandit attacks from the south, but their real motive for this action is still unknown. The Chinese authorities are now taking all precautions to safeguard against eventualities.

Another noticeable feature of recent Soviet activities in Northern Manchuria is the circulation of Soviet national bonds and Mongolian notes in that region. Reports from Harbin state that this year due to the Soviet government's policy of adjusting certain industrial and agricultural conditions within the country, the Soviet authorities have issued more than three hundred million rubles worth of domestic bonds to meet the needs of this scheme. But in view of the bad financial prospects within the Soviet Republic, great quantities of these bonds are being offered for sale throughout Northern Manchuria, especially along the Russo-Chinese frontier towns. These bonds are being issued in denominations of fifty, one hundred, five hundred, and one thousand rubles respectively. They bear interest at four per cent. per annum. At the frontier towns, these bonds are being sold at seventy per cent. of their face value, but they become worthless papers beyond Chita, as the Russians themselves do not want them. The Chinese authorities are now looking into this matter strictly and are attempting to prohibit their sale if possible in order to prevent a repetition of the ruble story of a few years ago. Notices are now being posted all throughout the Chinese frontier towns to prevent their buying and selling.

The notes of the Russo-Mongolian Bank are also being circulated in Northern Manchuria, and particularly along the Chinese Eastern Railroad. These notes are being handled by

Soviet agents. The capital stock of this Mongolian Bank is nominally owned by the Mongolians, but in reality the majority of it is owned by the Soviet Government. However, in order to avoid outside suspicion, certain nominal Mongolian stockholders are being mentioned, but the Soviet Government draws whatever profit there is in it. The primary aim of this bank is to control the finances of Mongolia. The amount of capital owned by this bank is unknown, but the notes in circulation are already estimated to be more than five million rubles. These notes circulated in Northern Manchuria are five per cent. below their face value. Besides issuing notes, the Mongolian Bank also does other ordinary banking business and accepts savings accounts. But aside from its banking functions, it also does trading. Just at present it intends to operate a fur and skin company at Urga and other places in Outer Mongolia for the export of furs and skins from that country.

Aside from the circulation of Soviet notes and the removing of boundary stones, the Soviet agents in Northern Manchuria are doing something else also. Recently the Soviet agents have been interfering with the Chinese construction of railroads through Northern Manchuria. Since the completion of the original plan, this extension when completed will be about two hundred miles long, which starts from Taonan and extends to Tsitsihar, the capital of Heilungkiang. But in order to reach Tsitsihar, this new extension has to traverse the Chinese Eastern Railroad, which is still under the joint control of China and Soviet Russia. When this extension is completed, the products of Northern Manchuria will be more easily shipped down to the south, as this road is much shorter than the Chinese Eastern in actual mileage, yet covers about the same distance and at the same time travels through the richest part of the country. A few months ago the construction of this road had already reached Tailai, a station situated not very far from the crossing point of the Chinese Eastern. Further constructions were then in progress, but the Soviet representatives of the Chinese Eastern objected to the crossing of the Eastern by this new line. The grounds for their objection were that according to the original agreement of the Chinese Eastern no other railroads should be constructed within thirty Chinese li of the road, and that the crossing of the Eastern by this new extension will virtually violate the original agreement of the Chinese Eastern. In view of this, the manager of the new extension recently attempted to settle this matter with the local Soviet agents, but without any success. Then General Wu Chun-sheng, Tupan of Heilungkiang, went to Harbin to negotiate with the Soviet representatives of the Chinese Eastern Railroad, but still without any effect. Under such conditions, this extension cannot reach its intended destination, and so construction has to stop at the Tonai Station about fifty Chinese li from the Chinese Eastern line. But in order to maintain the traffic with Northern Manchuria in spite of this handicap, the management of the Taonan-Tsitsihar extension has already bought ten large long distance busses for carrying both passengers and freight between the Tonai Station and Tsitsihar, the intended destination of the new extension. However, the Chinese authorities are still attempting to solve this problem in the near future.

Soviet In Collusion With Japan

Further, Soviet Russia is now in collusion with Japan to divide up the economic advantages of Manchuria. Among the six railroads to be constructed by the Japanese capitalists as outlined in the so-called "Positive Policy" of the Tanaka Cabinet, there is one leading from Harbin north running through the eastern part of the province of Heilungkiang to Haiho, a frontier city situated on the southern bank of the great Amur River. This project has been proposed long before the so-called "Positive Policy" came into notoriety, but the Soviet Government has always opposed the building of this line for the simple reason that when it once gets constructed it will menace the Soviet interests along the northern bank of the Amur River. But recently the two countries have come together, through certain negotiations, to clear up this matter. In view of Soviet opposition Japan has conceded to the free hand policy of the Soviet Government in Northern Manchuria, which virtually amounts to the equal division of interests of Japan and Soviet Russia in both Northern and Southern Manchuria. As to the line from Harbin to Haiho on the southern bank of the Amur River, the two countries have now come to a compromise, and the road will be built by Soviet Russia, but its control will be entrusted to the three countries of Japan, China and the Soviet Government.

Latest reports from Tokyo and elsewhere indicate that both Japan and Soviet Russia are now coming to a compromise in every issue involving the two countries. The Soviet Government will try to keep still, while Japan is pursuing her positive policy in Southern Manchuria. In return for this silence Japan will not shout out while the Bolshevik agents are doing their propaganda work along the Chinese Eastern Railroad. In view of all these complications both in Northern and Southern Manchuria, it would take more than statesmanship to handle the situation properly. It would indeed be interesting to see how the Manchurian warlord will handle this matter.

General Yen Now Mobilizes!

BY C. Y. W. MENG

THE Autumn months of August and September have unnoticeably passed with many epoch-making events happening in this Young Republic of The Orient. First, the brave Declaration of Tariff Autonomy by the Nanking Nationalists, being the first one of this kind, after a long period of submission, defeat, and humiliation, has surprised the whole world and has dismayed all the diehards. Though such Declaration has not yet been put into execution—which is not due to the foreign protests but rather due to the unfavorable conditions within—it is believed that the Nationalists will not depart from their newly-formulated policy of "doing it by ourselves." The enforcement of the national tariff law is only a matter of time!

Then comes the sudden retirement of General Chiang Kai-shek. In this connection, we express our deepest sympathy to our great leader of the Nationalist movement who because, of adverse circumstances, was forced to retire to private life. But at the same time, we have to thank him because his retirement had saved the whole situation which would otherwise assume a grave aspect.

Next, we have the Nanking Conference on September 15. By this conference, the Nanking and Wuhan factions, once bitter enemies, were brought together. The unification of the Kuomintang, so essential to ultimate success of the People Revolution has at last been realized.

Lastly, we have the recent military activities in Shansi's. Despite the serious military developments in the Yangtze valley, General Yen Shih-san of Shansi has remained inactive or has been a "fence-rider" for a long time, but nevertheless he is really a man holding the key to the situation. Once he moves, Mukden will have something to worry about!

Eliminate General Feng

It will be observed that only recently with the Christian General, having 100,000 men at his command, and occupying a province just next door to Shantung, allowed to remain in Honan, there was no possibility for General Sun Chuang-fang to attack Nanking with an assured success; nor would it be possible for Fengtien to send reinforcements all the time, the reason being that should General Sun concentrate his attention on Nanking, General Feng would be active and might well invade Shantung, thus disturbing his rear, and it is not possible for Fengtien to watch so many "doubtful persons," and at the same time, he has to help General Sun in his coming back drive. Therefore, the recent policy of Fengtien is first to eliminate General Feng from Honan driving him into Kansu, a desert place, rather than paying so much attention to Nanking.

On the other hand, General Feng has fully realized the appalling danger that he is facing, both within and without. For several years, Honan has been a vast battle-ground. All the carts and mules and most of the able-bodied men were carried off by the several armies. This year there have been virtually no crops, for even the seed grain was confiscated by the military, and, even though it had not been, there were no men or mules to till the soil. So starvation faces Honan this winter. Feng Yu-hsiang will be utterly unable to maintain his armies there and must find greener pastures. He can not retreat into Shensi, for it is also denuded and the long siege of Sianfu has left that mountain province barren of everything. Such adverse circumstances that General Feng is in, together with the necessity that the Fengtienites has first to solve the "Honan question" before they can devote their whole attention to Nanking have at last plunged these two parties (General Feng and Fengtien) into a bitter struggle. Feng's victory over Chin Yun-ao—a general who is supposed to have some affiliations with Fengtien—has given him much courage in his coming decisive struggle for existence. But the reoccupation of Hsuehchow-fu, a strategical place lying at the cross section of Tientsin-Pukow and Lunhai lines by the northerners, has separated General Feng from the Nanking Nationalists. This separation is too fatal to Feng Yu-hsiang! So long as he stands alone, though with 100,000 men but poorly armed, Feng has no prospect of victory. In other words, General Feng has to seek for an alliance with other generals!

Shansi Mobilizes!

While on the other hand, General Yen of Shansi knows perfectly well that the present policy of Fengtien is not to concentrate their attention on Nanking but rather on the elimination of General Feng. Fengtien, up to this time, has been constantly sending delegates to Taiyuanfu begging pitifully for Yen's cooperation in eliminating Feng Yu-hsiang, and the fact that General Yen has always turned a deaf ear, or only given a vague answer, maintaining a doubtful attitude, has not only aroused the wrath of "Big Chang", but also has caused and imposed on him unnecessary delay and insurmountable handicaps in his attempt to drive Feng out

of Honan and in his battle to defeat the Nanking Nationalists in the Yangtze Valley, for in that case, Chang has to face the forward-marching Nationalists, and at the same time has to watch "doubtful Yen."

But, now, General Yen has fully realized that the elimination of Feng, though on its surface a matter concerning only General Feng, yet at the bottom, the Fengtienites have their underlying motive of killing Shansi after Feng is out. As soon as Feng is out of Honan, General Yen could join with nobody, and has either to quit Shansi, or else, to stage a similar desperate struggle for existence with Fengtien. But again, if General Yen stands alone, the Fengtien troops could easily march into Taiyuanfu within a couple of weeks. It is the present wrong policy of Fengtien to eliminate Feng, which means indirectly an elimination of Yen from Shansi that has at last caused General Yen to issue an order for mobilization.

Taiyuan, Kaifeng, Nanking Cooperate!

It is said that the recent clash between the Fengtien troops and those of General Yen at Chaikowpu, twenty miles west of Kalgan, is only due to the aggressiveness of General Shang Chen, a subordinate of General Yen, who opened fire without consent from his superior. This is the explanation of General Yen in his reply to Marshal Chang, but it can be regarded only as a cloak. In his telegram to the Nationalist Military Council in Nanking dated Sept. 29, General Yen said:

"Today, we have resolved to start the Northern punitive expedition. I have ordered all troops along Kalgan-Peking and Kin-Han lines to be ready for movement. General Feng has promised to cooperate with us and he will attack along the Kin-Han and Tientsin-Pukow lines. You are requested to send quickly a big army to cooperate with us in this northern punitive expedition. It is a blessing for our party and our country!"

In fact, this is not the first instance showing the co-operation between two neighboring generals. When the Fengtienites were about to defeat the Nationalists, General Yen threatened to cut the communication, thus forcing the Fengtienites to withdraw from Honan. When the evacuation of Shansi troops from Shihchiachung was demanded by Fengtien, so as to enable the latter to enter Honan, General Yen procrastinated.

Significance of Yen's Activities

Whether action by the "fence-rider," once he moves, will eventually result in the salvation of Feng Yu-hsiang, or more significant than that, in the elimination of Fengtien from the capital, only time will tell. But it may be said that the outbreak of hostilities between Fengtien and General Yen, with General Feng involved, minimizes the "importance" of General Tang sen-chi who is now in control of Hupeh, Hunan, Kiangsi and part of Anhwei. Up to this time, General Tang has been the important man, holding the key to the situation in the Yangtze Valley; but his attitude is "doubtful". On one hand, it is said he has some affiliation with Fengtien. On the other hand, his name is always on the list of the Nationalist Military Council. Today, he starts for Kiukiang with the intention of coming down to Nanking, but tomorrow he flies back to Hankow. His failure to attend the Nanking Conference on September 15, which is interpreted as non-cooperation of General Tang with the Nationalist Military forces, his promptness in moving troops into Anhwei, taking advantage of the weakened military situation at Nanking, and his suddenly becoming prominent in securing control of Hupeh, Hunan, Kiangse and Anhwei, have all aroused the suspicion of the public as to whether General Tang is really a Nationalist or a man having some affiliation with Fengtien; whether he has really given up his former idea of "Wuhan is Wuhan," and "Nanking is Nanking," or whether he still has the intention of setting up a new political organization in Wuhan with himself as dictator. But the point is this: should he turn face on Fengtien, it means a complete chain of provinces starting from Shansi, in north China, to Kwangtung, in south China, passing through Honan, Anhwei, Hupeh, Hunan, Kiangsi, Kiangsu, Fukien, Chekiang and Kwangsu, all within the dominion of the Nationalist Government, having only to face Shantung and Chihli. The immediate collapse of Fengtien is thus predicted, not as a probability but as a certainty. But should Tang turn over to Fengtien, both Nanking and Kaifeng will have something to worry about.

But when Shansi opens fire and Kalgan is attacked, the battle of Waterloo will not be in Hsuehchowfu, nor Tsinan, nor Tientsin but some place east of Kalgan, a place not many miles from the Capital. With General Yen moving along the Peking-Kalgan line, General Feng along the Kin-Han line, and Nanking Militarists along the Tientsin-Pukow line, Gen. Tang would not be so foolish to cast his lot on the wrong side when the tide has already turned in reverse. He would be very quick to hoist "green-sky-white-sun flag," and might well claim that he is an ardent follower of the Three People's Principles. In other words, he will be forced to join with the Nationalist party, and not the Fengtien.

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"Big Shorty" Doesn't Think Much of the Orient!

The following letter contributed by "Big Shorty—A Homesick Sailor" on the U. S. S. Beaver, stationed in China waters, appeared in the October number of Orient, a magazine published in Shanghai devoted to the men of the U. S. Asiatic Fleet:

"To-day is Sunday and time hangs heavily on my hands, heart or soul as you may wish to call it. Why? Because I am a white man doing duty for my country in a yellow man's land.

The lure of the Orient is only the pipe dream of dopey poets. A young man gets the wanderlust and longs to see China. Why? Because it is the farthest he can go from home. He has visited Chinatown in New York, Philadelphia, Boston, Chicago, Los Angeles, San Francisco, or some other large city and gets the idea that the Orient is just one mass of elegant flowers, liquid sunshine, beautiful fairy-like girls in gorgeous silken dresses, wonderful tea gardens where limpid strains of heavenly music float out from an invisible orchestra and all this at a cost of only a few cents per day. Oh! God! What a picture!

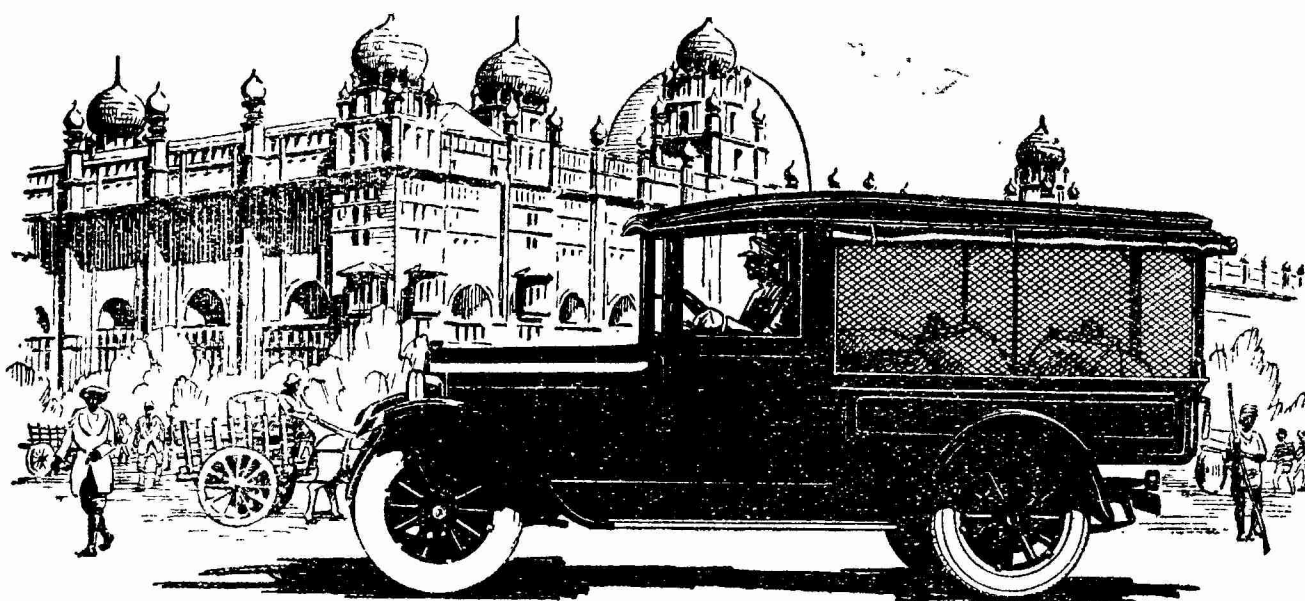
This young man not being wealthy enough to pay for a visit to the Oriental Paradise, enlists in the Navy for duty with the Asiatic Fleet. Bye and Bye he reaches China. His first experience in the Orient is the Philippines, Uncle Sam's trouble makers on the outposts of civilization. Manila, the capital of the islands, is the largest city and the most corrupt one that flies the Star Spangled Banner. Our young adventurer goes ashore on his first leave on Saturday for a week-end in the land of eternal sunshine and joy. He finds the heat almost unbearable and steps into a bar-room and orders beer. A glass slides over the bar filled to the brim with a foamy amber colored liquid which makes his mouth water. But this same stuff is like a bottle of Benol mixed with equal parts of wood alcohol, ether, lye, gasoline, dynamite and salt water. After drinking a few of these, he goes to Sants Anna Cabaret, the largest in the world. There he finds some hundred or so dancers, outcasts, worn out prostitutes of Philippine Society. They are willing to dance for twenty centavos and a drink of soda water. Well, it doesn't take long for the heat and knock out drops to get him and next morning he wakes up in a Bam-bóo Shack with a terrible headache and no jack. Sunday, he takes a look at the city. He sees naked children, dirty ragged people, human derelicts drift by, the remnants of white men that let the lotus of the Orient get the best of them. Then he says to himself: "God I hope China is not like this."

Homesick, disappointed, disgusted and tired, he gives a whoop of joy when his ship gets underway for Shanghai. Upon arrival, he makes the first liberty party and says: "Oh, at last I'm in old China." Up dash about fifty rickshas, each one clamoring for a fare. One says: "Hi sailor, want to see nice little school girl?" So he gets in and is pulled through dirty, live, smelling streets 'til at last he arrives at a house of ill fame. The girls cluster around him dressed in cheap finery, poor little things, slaves to the vilest of all trades. He leaves here more disgusted than ever and goes to the cabarets. There at least he finds light and music. Harsh rag-time jazz and women of every nationality. All willing to take his last dime and make him walk back to the dock. He finds that all the fine old civilization of China has completely disappeared or never existed.

Of course, some men ship over and stay out here or go back home and are not satisfied and in a short time return to the Orient, but they are the ones that let this country get the best of them. "Oh, God help me to make amends for what I've done and speed the time when I can return to the land of pure fresh air and virtuous women."

State Barriers a Hindrance In American Law

The committee on jurisprudence and law reform offered to the American Bar Association at its fiftieth annual meeting held in Buffalo last month a bill to be introduced in Congress having as its aim the breaking down of the barrier of state boundaries in the administration of justice in America. The bill is sponsored by Henry W. Taft, chairman of the committee, who in the course of his report stated that national unity in America disappeared in any judicial matter so soon as a state boundary was reached. He said that America was a century behind the British in this respect. "A judgment of Zanzibar of the Solomon Islands has a better status in England than a Pennsylvania judgment enjoys in Ohio," said Mr. Taft.



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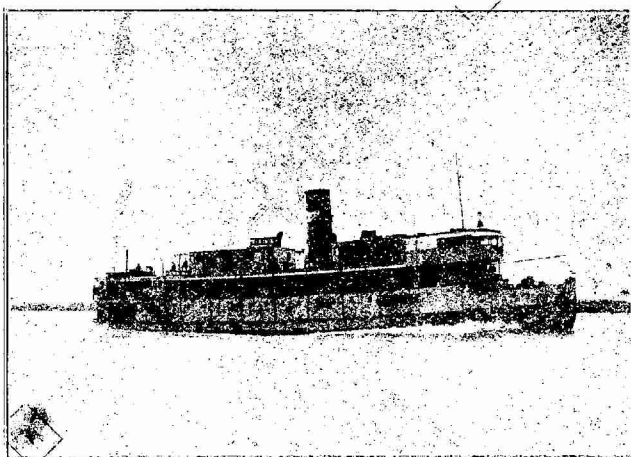


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Stirling Fessenden Celebrates Fifty-second Birthday

Stirling Fessenden, chairman of the Shanghai Municipal Council, was the principal guest at a dinner given on the occasion of his fifty-second birthday September 29, at the Shanghai Club, by a group of Shanghai residents. E. S. Cunningham, American Consul General presided, and Judge Peter Grain of the British Supreme Court was the chief speaker of the evening. Among those who made congratulatory remarks in addition to the above mentioned were E. Naggiar, French Consul General and C. S. Franklin, member of the American Bar.

Mr. Cunningham in his introductory remarks referred to the fact that the name Fessenden had been made famous in American history and public affairs. The Fessendens, he said, were a family of lawyers and their sterling Yankee qualities had been passed on to the guest of the evening.

In proposing the toast, Judge Grain said it was perhaps a happy thought that those getting up the dinner had selected a British subject to propose Mr. Fessenden's health. Judge Grain referred to the fact that Mr. Fessenden and he belonged to the same profession. Mr. Fessenden, he said, had surpassed Dick Whittington in that he had been "Lord Mayor" for four terms. Unlike his famous prototype he had not married, either his master's daughter or any one else's daughter.

Mr. Naggiar stated that in Mr. Fessenden Shanghai had got exactly what it needed—a man of experience, who while maintaining a careful watch on events kept that optimism without which no public work could be performed in an efficient manner.

Mr. Fessenden in the course of his reply said that he had always had the feeling that Shanghai was a human place and that the people in it were human people. He went on to say that he wanted to utilize the occasion to say some things which he could not ordinarily refer to in an official manner as Chairman of the Council but which he could impart that evening to his friends and to which he referred because of the seriousness of the situation which faced Shanghai. He believed that conditions at this time were not unlike those which faced them during January and March of last year, and that because of the general difficulty of making the Powers realize how much their support was needed, some of even the most influential foreigners in Shanghai had a mistaken idea that they might gain greater support for the cause of Shanghai by creating incidents here in the hope that such incidents might lead to more support at Home.

"Nothing could more seriously hurt the prospects of united action among the Powers to maintain the political and territorial integrity of Shanghai than such ill-conceived incidents. Instead of bringing us greater support, they would undoubtedly result in a withdrawal of whatever support and protection we now have. From my experience with this problem and with some knowledge of what is going on behind the scenes, I can tell you to-night that there can be no greater menace to Shanghai than the occurrence of incidents provoked by foreigners. We should all see to it that they do not occur.

"I have to-night been offered the support of the Fascisti organization. I have many friends in that organization—many men whose advice and opinions I respect. But I must say that unless that organization is well-managed and restrained, it can do much more evil than good. Mismanagement, lack of restraint, might result in just such a perilous situation as we are all trying to avoid. My advice is to leave the management of affairs here in the hands of those men who have been chosen by the various Governments and the ratepayers to conduct them. I believe that Shanghai will ultimately win, but we must have patience and faith. With patience and faith, we cannot lose; with indiscriminate action, uncontrolled by responsible authority, Shanghai will be lost.

"I feel that our conduct must always be justified by law and morals. Often suggestions have been made to me in the hope that something drastic might be done, but when such suggestions were not justified by law and morals, they were turned down. It was suggested to us to invade Chapei and the Chinese city, but such a suggestion could have no basis either in law or morals and was turned down. As business becomes worse, men grow panicky and think of many expedients to save the situation, but we must follow the lead of our officials, who know what can be done, and we must have patience and faith. They will pull Shanghai through."

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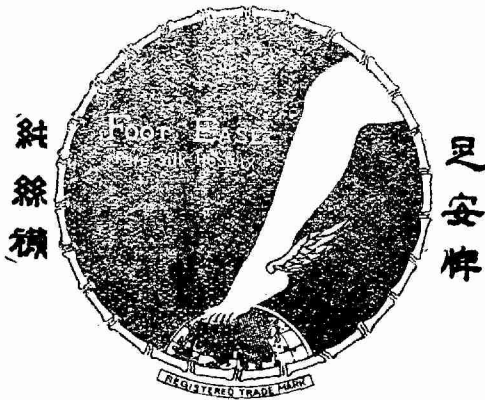
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Antimony In The Far East

BY BORIS P. TORGASHEFF,

(Sometime Lecturer of the Peking National University).

In the world's production of antimony the Far East occupies an exclusively prominent place. During the course of a long time the principal world supplier of antimony was Japan proper, but as a result of the limited extent of its antimony reserves the country comparatively rapidly exhausted them. Only the high antimony prices during the period of the European war made it possible for Japan to prolong its antimony industry until 1920, in which year it was stopped entirely because it was found unprofitable to work the small deposits of antimony ores left. From the time of the war, however, China acquired greater importance than Japan had ever enjoyed, inasmuch as the production of antimony here within the past few years has amounted to more than 99 per cent of the entire world's production.

The world's reserves of antimony are limited to a greater extent than are those of tin. In Europe antimony is found to any extent only in France, which at one time prior to the war produced up to 25 per cent of the world's production of antimony ore, but the country is no longer in a position to do this. Small quantities of antimony ores are contributed also, besides France, by Hungary, Mexico, Bolivia, Australia and Algeria. In the Far East, besides China, antimony in commercial quantities is found in Indo-China, where it is already being mined. Since the war the production of antimony has also begun in the United States but in limited quantities, and this country continues to depend for antimony largely upon trans-oceanic suppliers thereof, principally China.

The world's production of Antimony—*regulus* (99 % metal) brought up during the war to 57,000 tons dropped in 1919 11,300 tons, but beginning with 1922 the production improved, until in 1925 it reached 27,500 tons, as will be seen from the following table:

The World's Production of Antimony-regulus.

Year	Metric tons
1917	56,960
1918	29,400
1919	11,391
1920	19,748
1921	17,592
1922	18,624
1923	19,304
1924	18,288
1925	27,528

In Europe as well as in America, the demand for antimony which was uniform during the period from 1919 to 1922, began to improve, and at the present time increases rapidly, outrunning the present world production of this metal. The greatest demand for antimony comes from the United States, which prior to the war consumed up to one-third of the world's production, England and Germany, where after the war it found wide use as a substitute for zinc in stove enamelling, in electrotechnical requirements and in the manufacture of radio sets.

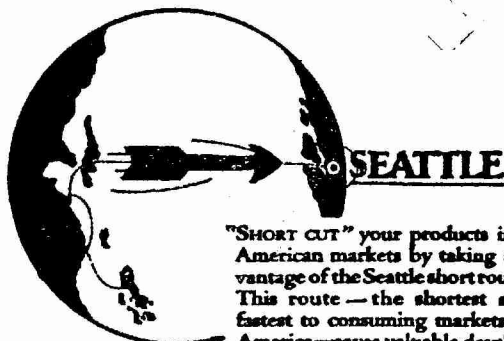
The great importance of the antimony production in China on the world's markets—in no other country does the production reach even one-fourth of that in China—may be seen from the table showing the world production of antimony in terms of metal in the different countries in 1925 computed by us on the basis of the latest edition of the Statistical Summary, published in 1926 by the British Imperial Institute.

The World's Producers of Antimony Ore in 1925

(The ore is expressed in quantities equivalent to regulus—99% metal).

Country	Long tons.
China: regulus.....	16,745
China: crude	2,702
concentrate	2,054
France	3,188
Bolivia.....	1,820
Mexico	1,377
Algeria	628
Yugoslavia	570
Asia Minor.....	400
Italy	384
Australia	95
Argentina	39
United States	29
Rhodesia.....	18
Canada.....	1
A total of English tons	27,000
Metric ..	27,528

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In the Far East antimony is found in considerable commercially important quantities in China, the Russian Far East and Indo-China. In the *Russian Far East* those deposits have already been partly surveyed and experiments have been made to mine the ore, without any practical results, however, in view of the generally complicated political conditions in the country after the war. In *Indo-China* and *China* advantage was taken of the favorable market conditions during the war, and the production of antimony is already assuming proportions of international importance. According to the Chinese Geological Survey in Peking, the reserves of antimony in pure metal in the Province of Hunan alone exceed 2,000,000 tons. If these preliminary estimates prove correct, and if the existence of the allegedly large reserve of antimony on the Russian Far East and in Indo-China is confirmed, the Far Eastern antimony will command the world's markets because antimony reserves to any considerable extent are as yet unknown to exist in other parts of the world.

According to latest data summarized by the author, in the entire Far East the following quantities of antimony are at present produced:

The Production of Antimony-regulus in the Far East.

Country	Metric tons	Value in U. S. \$	Remarks
China:			1925. The Peking Geological Survey. A total value of Hk. Tls 5,023,144 (regulus-4,170,935, concentrates-508,753, and crude Tls 343,456) at 80.
regulus..	16,168	4,018,515	
concentrate..	2,800		
crude..	2,955		
Indo-China			1925. Indo-China Geological Survey. From 1917 to 1925 smelting of the metal was discontinued.
regulus..	1,500	600,000	
Russian Far East	—	—	Production experiments only were conducted (17 tons)
Japan proper..	—	—	All reserves are now exhausted and since 1921 no antimony is produced.
North Manchuria.	—	—	Only one deposit of commercial importance is known so far.
Korea	—	—	The existence of antimony deposits established, but their commercial value still remains unknown.
South Manchuria	—	—	
Formosa and the Philippines	—	—	No data of the presence of antimony.
Totals:			
regulus..	17,668	3,936,748	Practically all of it is exported.
concentrates.	2,300	407,002	
crude.	2,055	274,765	
Total	4,618,515		

With a world production in 1925 of 27,528 metric tons the Far Eastern output of antimony-regulus represents 65.4 per cent. In 1923 this relation was even more favorable for the Far East, amounting as it did to 91.1 per cent.

It is very difficult to determine the home consumption of antimony in the Far East inasmuch as there are no exact figures available in this connection, with the exception of *Japan proper* into which country in 1925 were imported 1,069 English tons of antimony in the raw metal. Practically the entire quantity of antimony produced and which was produced during the war is exported to Europe and the United States, principally through London, where the Chinese antimony is the product determining the world's prices on this metal.

CHINA.

Antimony ores have been found in China in six provinces: in Hunan, Kweichow, Yunnan, Kwangtung, Kwangsi and Hupei. The commercially most important deposits of antimony are in Hunan, Kweichow, and Yunnan. According to all data, the richest deposits of antimony are found in Hunan, where the Peking Geological Survey has estimated reserves at more than 2,000,000 tons of pure metal.

With the exception of very insignificant quantities of antimony mined elsewhere in China, the principal portion of antimony is produced in the *Hsikwangshan district* of Hunan Province, whence all of the antimony is concentrated in the town of *Changsha*, and subsequently is exported from there through *Hankow*. Inasmuch as within recent years through *Changsha* have passed up to 90% of the entire world's production of antimony, this distributing center actually determines the London world prices on antimony.

In *Hsikwangshan* the antimony ore deposits occur between the quartzite and the upper limestone which are either of the

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Lower Carboniferous or Upper Devonian formations. These beds are folded into anticlines and domes with which, according to all appearance, the ore seems to have a constant relation, in Hunan, being represented by antimonite or antimony glance. As a general rule the Hunan ore is of a very fine quality with a metal content of from 20 to 64 per cent, and the ore is entirely free from arsenic.

Besides the Hsikwangshan region, ore is mined in four other regions of Hunan province and in Yunnan, but the ore recovered from the Hsikwangshan region represents nine-tenths of the total quantity of ore mined in China. In Hunan and Yunnan there are estimated to be an aggregate of up to twenty small antimony smelters, only one of which is large, that at Changsha, with a smelting capacity of up to 6,000 tons of regulus per annum. In Hunan Province there are in operation ten smelters with a total aggregate capacity, including the Changsha mill, of up to 8,000 tons of antimony yearly, and up to 500 tons of antimony oxide.

In Yunnan Province the production of antimony is still but little developed because of the lack of ways of communication. The ore, in the form of antimony glance is met with in Triassic formations. The mining of ore and smelting of metal were quite inconsiderable until 1924-1925, when was begun the construction of a well equipped smelting plant at Chi Chen.

Antimony in China is prepared for export in the following three forms:

(a) *Regulus*—pure metal, 99 per cent, packed in cases weighing 224 English pounds, net.

(b) *Crude*—concentrate with a 65 to 70 per cent metal content, packed in cases of the same weight as those used in the case of *Regulus*.

(c) *Antimony oxide*,—a white powder, the product of tempering of stibnite, is placed on the market in bags weighing 140, 220 and 280 lbs., depending upon the fineness of powder.

The strong development of the mining of antimony in China is due exclusively to the high antimony prices during the war, reaching as they did above 1,000 Chinese dollars per ton. In 1920-21, as a result of the general depression in the world, prices dropped almost to 150 dollars, and this seriously affected the development of the antimony industry, but in 1922 it righted itself and at the present time progresses rapidly. By the end of 1925 prices in Hankow for antimony regulus rose considerably and were fluctuating between Mex. \$750 and Mex. \$785 a ton.

According to official statistical data of the Chinese Maritime Customs, during the period from 1916 to 1925 the following quantities of antimony were exported from China. Inasmuch as almost the entire production is exported, these figures must be considered as approximately equal to the production of antimony in China:

Export of Antimony from China.

Year	Regulus	Crude	Total
	Tons		
1916	14,934	18,252	33,186
1917	15,125	19,982	35,107
1918	15,985	1,691	17,676
1919	7,003	2,118	9,121
1920	9,649	4,520	14,169
1921	12,566	3,516	15,082
1922	12,062	1,591	13,653
1923	11,587	2,904	14,491
1924	11,790	2,086	13,876
1925	15,358	2,792	18,150

This makes an average of 15,050 per year for the past five-year period.

The principal buyers of Chinese antimony, according to the statistics of the Chinese Maritime Customs, in 1925 were:

Countries	Tons of Regulus
United States....	3,650
Great Britain....	1,850
Germany.....	1,450
France.....	760
Japan.....	280

While the production of antimony in China is of worldwide importance it cannot as yet be stated that this industry is properly organized. The majority of smelting plants in the most of instances, are nothing more than primitive ovens in which more ore is destroyed than utilized. No large capital has as yet been invested in the industry, and foreign capital is reluctant to participate in view of the generally uncertain political situation in the country.

The general opinion, however, is that as soon as more or less normal conditions exist in China large foreign capital will be invested in the antimony industry, and the production of antimony will increase to a large degree. Even now China nevertheless occupies an exclusive position in the world's market, producing as it does, for instance in 1924 and 1925, more than 91 per cent of the entire production of antimony in the world.

(To be continued next week)

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Dangerous Navigation On The China Coast

BY J. S. J.

UP and down the China coast there are many little vessels employed in short-distance services simply for the purpose of earning exorbitant profits for their owners, irrespective of the question of safety to passengers and crews. It is remarkable that serious accidents or great disasters do not happen oftener but perhaps there is more truth in the maxim that Providence always exerts its utmost to safeguard fools than we would care to admit.

"Plimsoll's Mark" is a mark conspicuously painted on the port side of all British sea-going merchant vessels to indicate the amount of submergence allowed by law; so called from Samuel Plimsoll, by whose efforts the act of Parliament to prevent over-loading was secured. Now-a-days, all the civilized governments have passed laws governing the loading, passenger capacity and navigation of ships that have reduced all danger to life and property at sea to a minimum. Accidents do occur from time to time and maritime disasters must perforce take place, for no human power can prevent what are widely admitted as "acts of God," but if anything serious happens on the China coast to one or other of the vessels referred to in the opening paragraph of this article, one may safely lay it down to the acts of fools.

Take the case of the Japanese-owned steamer "Hsian Teh" (or "Gentoken Maru" according to the Japanese nomenclature). The "Hsian Teh" was formerly a Japanese fishing boat, but she was eventually converted into a steamer. Her burden is 19 tons and she is registered, according to Japanese reports, to carry 190 passengers, though the Chinese account states that only 150 passengers are permitted.

On September 17, at 1.40 p. m., the "Hsian Teh" in charge of Captain Shioya and Chief Engineer Kawabata left Hung Shih Teh for Tsingtao with 280 passengers aboard. It will thus be seen that granting the Japanese registry to be correct, the little vessel was already overburdened to the extent of 90 passengers. However, on gaining some distance from the shore, it was noticed that a large number of refugees and others had come down to the shore, waving and shouting to be taken aboard. And Captain Shioya, either deliberately ignoring all knowledge of the requirements of maritime laws or relying entirely upon his ability to accomplish the impossible, put about his ship, which took on about two hundred passengers more! Imagine the folly of the whole thing! Here was a vessel of 19 tons burden, of some 80 feet in length, trying to transport 500 souls from one point to another! (An overload of some 300 persons!)

No wonder, therefore, when the "Hsian Teh" had made some progress she began to sway from side to side owing to top-heavy load and eventually those passengers in the cabins of the little vessel becoming frantic with fear and rushing from side to side as well as they could in their efforts to get out, the ship began to fill with water and eventually became partly submerged just off the Small Harbor at Tsingtao. During the journey, a number of people had leaped or fallen overboard, and when the ship submerged the deck passengers were floating in hundreds upon the surface of the sea. A Chinese merchant steamer, the "Yuan Fa Chun" was passing, and went to the assistance of the passengers, as did the launches of the American warships nearby. According to a Tsingtao report, altogether but 118 people were saved and landed at Small Harbor, and it was a pitiful sight to see children searching for their parents, and men seeking their wives among those saved.

Had the captain refrained from putting his ship back to take on the two hundred odd passengers more, the terrible disaster would never have happened.

An attempt is now being made to put the blame entirely upon the ticket agent ashore but that would not do for the simple reason that no ticket agent can dictate to the master of a ship just how many passengers he should or should not take. By the same reasoning which the Japanese side has now set forth, the ticket agent might have just as well sold a thousand tickets and the captain of the "Hsian Teh" would have in that event had to accomplish the miracle of finding accommodation for everybody. This is clearly a case of criminal negligence and as such the Japanese authorities should make an example of Captain Shioya as an object lesson to all the other Japanese captains employed on the China coast.

There are many small Chinese and Japanese owned steamers engaged on this coast that are operated in a manner which they should not be. For instance, cargo is accepted until the last minute irrespective of the loading capacity, and, very often, one looks in vain for the Plimsoll mark. If it is

coolie-carrying season, in nine cases out of ten one finds that the ship has on board a good lot more than she should carry. Vessels of 700 or 800 tons are permitted to transport thousands in one trip, and one shudders to think of the disastrous consequences possible arising out of even a groundless panic. Should it be found necessary to abandon ship, there are no life-saving appliances to take care of the human freight. The "Anlee," another small vessel that plies in these parts, recently took 4,500 coolies from Tsingtao to Dairen. One must be excused for wondering how this sort of thing is ever rendered permissible. Picture to yourself the serious consequences possible merely because of the owner's insatiable appetite for profits and the captain's inability to observe the requirements of maritime laws.

The writer has in recent times carefully observed the manner in which these small vessels are operated over short-distance routes and the more he has observed, the more he has realized the absence of all reasonable precautions against life and property losses at sea. Most of these vessels boast of a lifeboat or two which in all probability have not been lowered for months as the rusty state of the davits and their paraphernalia invariably testify. Looking around for life-buoys and belts, one may find a couple of dozens mostly out of immediate access. No wonder, therefore, that once in a while wrecks are accompanied by huge losses of lives,—lives which could have been saved had the usual precautions been taken in line with the requirements of maritime laws.

Men who think nothing of gambling with the lives of their passengers in an effort to make easy money have no business to operate ships even upon the shortest routes imaginable.

As one critic remarks, What about a Chinese Sam Plimsoll coming forward to cajole, to demand and to see enforced a maritime law that will prevent thousands of his poor fellow-countrymen who know nothing about the sea or the limit of crowding that a vessel is capable of, from being carried to their deaths because of the parsimony of the shipowners and captains in whose hands they place their lives, who apparently care only for the amount of passenger tickets sold, without any regard to capacity of space?

Tsingtao, Sept. 27, 1927.

Chinese Christians Organize Church of Christ in China

An important conference of some 94 delegates representing Chinese Presbyterian, Congregationalist and various independent Chinese Christian churches located in sixteen provinces of China, which met in Shanghai on October 1, has voted to abolish sectarian lines and organize the Church of Christ in China. The delegates represent churches scattered from Harbin to Canton and from Shanghai to Chengtu and are said to represent some 120,000 Chinese Christians representing more than one-fourth of the total number of Protestant converts in China. The denominations chiefly affected are Presbyterian and Congregational churches of the United States, Canada, England, Scotland, Ireland and New Zealand. Delegates representing Chinese Baptist and Methodist churches also attended the conference as observers, and the hope has been expressed that the Church of Christ in China may form a nucleus for the unification of all Chinese Christian denominations into one organization.

Dr. Cheng Ching-yi, general secretary of the National Christian Council was elected moderator of the Conference. The present move is considered to be in no sense an independent movement from the standpoint of Western religious denominations and is welcomed by the foreign missionaries generally who see in it the development of self-reliance on the part of Chinese Christians. Some 1,200 American and British missionaries are indirectly affected by the present movement, in that their relationship toward the new organization will be largely of an advisory character rather than active leaders as has prevailed in the past. The present movement has been in progress for some seven or eight years, the first general conference having been held in 1922. The new church will operate through some twelve synods or territorial divisions, largely autonomous in nature.

Chihli River Commission to Dissolve

At a full meeting of the Chihli River Commission on September 26 in Peking, the President, Hsiung Hsi-ling, and members decided to dissolve the Commission at the end of the year. The foreign members of the Commission are: H. von Heidenstam, T. Pincione, F. Hussey-Freke and S. F. Rose. Hollington K. Tong is a member of the secretarial staff. When the Commission was first organized it had as its object the survey of the Chihli district and the formulation of a scheme for the improvement of the waterways of North China.

The Matter of Diplomatic Precedence

Foreign Service officers of the U. S. Department of State take precedence over Foreign Commerce officers of the Department of Commerce in all official functions, according to an executive order issued August 10 by President Coolidge and made public August 29 by the Department of State.

The order provides that Foreign Service officers of Classes I and II shall precede Foreign Commerce officers in any official function although the Foreign Commerce officer shall be of equal rank.

Rank For Foreign Service

The order also provides that officers of the Foreign Service, when in charge of missions, shall outrank all officers of the Army, Navy, and Marine Corps, and that Army officers shall take precedence over Naval officers.

The full text of the executive order follows:

Executive Order

The following rules of precedence will henceforth be observed as between (1) Ambassadors, Ministers, and officers of the Foreign Service of the United States; (2) officers of the United States; (3) officers of the United States Navy and Marine Corps, and (4) Foreign Commerce officers of the United States. Previous executive orders inconsistent herewith are rescinded.

1. In the country to which he is accredited, the chief of the diplomatic mission takes precedence over all officers of the Army, Navy, or Foreign Commerce Service.

2. In diplomatic missions the following ranking will be observed:

Counselors take place and precedence next in succession after the Chief of Mission.

Military and Naval attaches take place and precedence next in succession after the Counselor, at a post where the Department of State has deemed it unnecessary to assign a Counselor, after the senior first secretary. Military and Naval attaches take precedence as between themselves according to their respective grades and seniority therein.

Attaches On Equal Plane

Commercial attaches rank with but after Military and Naval attaches.

Assistant Military and Naval attaches take place and precedence next after second secretaries. Assistant Military and Naval attaches take precedence as between themselves according to their respective grades and seniority therein.

Assistant Commercial attaches rank with but after Assistant Military and Naval attaches.

In the absence of the titular head of the mission, the senior diplomatic officer will act as *Chargé d'Affaires* ad interim, unless otherwise directed by the Secretary of State, and as such will take precedence over all members of the staff of the mission.

At ceremonies and receptions where the members of the mission take individual positions, in the lists furnished foreign governments for inclusion in their diplomatic lists, and in the Register of the Department of State, place and precedence will follow the ranking indicated in the paragraphs above.

At ceremonies and receptions where diplomatic missions are present as a body, the Military, Naval and Commercial attaches will form distinct groups, and follow in that order the diplomatic personnel of the mission.

3. In international conference at which the American delegates possess plenipotentiary powers, the senior Counselor of Embassy or Legation attached to the delegation, takes place and precedence immediately after the delegates, unless otherwise instructed by the Secretary of State.

4. As between officers of the Departments of State and Commerce:

(a) The senior Foreign Commerce Officer functioning in a consular district in which there is no diplomatic mission, shall rank with but after the senior Foreign Service Officer functioning in that district.

(1) Foreign Commerce Officers of Class I, with but after Foreign Service Officers of Classes I and II;

(2) Foreign Commerce Officers of Class II, with but after Foreign Service Officers of Classes III and IV;

(3) Foreign Commerce Officers of Class III, with but after Foreign Service Officers of Classes V, VI and VII;

(4) Foreign Commerce Officers of Class IV, with but after Foreign Service Officers of Classes VIII and IX, and unclassified Officers of the first grade;

Admiral Bristol Lauds Turkish Nationalism

(From the North China Star)

PEKING, Sept. 24.—“When the pinch comes, regardless of our individual views about the troubled situation in this country, we are all glad to avail ourselves of the protection which our armies and navies give, and we are happy to have this opportunity of voicing to our distinguished guest our appreciation of the care which is taken of us.”

This was the pointed lead given to Admiral Mark L. Bristol of the American Navy yesterday at the tiffin in his honor at the Wagons-Lits Hotel given jointly by the Anglo-American and American Associations of Peking, but in spite of this opening, offered by Dr. J. C. Ferguson when he introduced the speaker of the day, Admiral Bristol carefully avoided topics related to China.

Speaks Of Turkey

Turkey's efforts toward the development of a national consciousness and her struggles to attain freedom from extraterritoriality and other treaty limitations were the principal topic of Admiral Bristol's address, illustrated now and then with personal reminiscences of the eight-year period he spent at Constantinople as American High Commissioner. Only by implications not authorized by the speaker could his auditors make comparisons between the evolutionary processes at work in Turkey and China.

Force Merely Servant

“Armies and navies,” said Admiral Bristol, “are really only the servants of the peoples of the governments they represent, and help to carry out the policies of those peoples, guided by the advice and counsel of the diplomats of the nations concerned.”

Turkey, in 1918, was “down and out,” the speaker said. He recounted how he had gone to Constantinople in that year, at first without either a title or any instructions, but merely to observe and report to Washington. Soon came his appointment as High Commissioner, followed by the eight years of constructive work, and then the recent transfer to China as Commander-in-chief of the American Asiatic fleet.

Birth Of Nationalism

“The Treaty of Versailles, by giving Smyrna to the Greeks, brought about the birth of Turkish nationalism,” said Admiral Bristol. “Practically all foreigners in Turkey, from new arrivals to people who had lived there for three and even four decades, believed that a national development was impossible for the country.”

“But that Smyrna award kindled real patriotism in the breasts of all Turks, young and old. I was in constant touch with the 200 American relief workers in the interior, and they and my own intelligence staff reported a marked change. The Turks simply made up their minds to drive the Greeks into the sea and then to run their own show.”

Aroused To Nationalism

“In the old days conscripts for the army were always herded to mobilization quarters at the point of the bayonet, with an average of one guard for every man. When the national consciousness became aroused volunteers marched in singing, led by unarmed corporals.”

(Continued on page 163)

(5) Foreign Commerce Officers of Class V, with but after unclassified Foreign Service Officers of the second and third grades.

(c) In the absence of the Foreign Service Officer in charge of a consular district, the Foreign Service Officer acting shall enjoy the precedence regularly accorded the former, and in the absence of the ranking Foreign Commerce Officer, the Officer acting shall enjoy the precedence of the ranking Foreign Commerce Officer.

5. In the districts to which they are assigned, Foreign Service officers in charge of Consulates General take place and precedence immediately after Brigadier Generals in the Army or Marine Corps, and hold rank intermediate between Rear Admirals and Captains in the Service.

In the Districts to which they are assigned, Foreign Service officers in charge of Consulates take place and precedence immediately after Colonels in the Army or Marine Corps and Captains in the Navy.

CALVIN COOLIDGE.

The White House.
August 10, 1927.

(Continued from page 162)

"It was a long struggle before the Greeks were driven out, and vast changes occurred in Turkey between the close of the World War and the Lausanne agreements. Of course the millenium has not come in Turkey, nor anywhere else in the world, but the courts have been reformed, foreign, civil and penal codes have been adopted and enforced, a balanced budget has been adopted, there have been no currency issues and no currency depreciation, and it is remarkable that the anti-Grecian campaign has been fought and won and a stable government has been founded without even resorting to government loans."

The speaker cited one case in which an American, after the loss of extraterritoriality, went into a Turkish court to sue a provincial governor—and won his case!

Pessimists Surprised

"Old timers in Turkey," he said, "were certain that these things could not be accomplished. They were honestly convinced that the Turk had no innate ability for business nor for administration, and were pessimistic about the possibilities of reforming old methods under which corruption had been thriving for centuries."

Admiral Bristol during his talk paid a tribute to the ability, foresight and statesmanship of General Harrington, the British commander in Turkey, and also lauded the energy, courage and vision of Mustapha Kemal and the manner in which he has brought order out of chaos.

Guests At Table

Other guests at the luncheon yesterday were: Mr. F. Mayer, U. S. Charge d'Affairs; Sir Frederick Whyte, returning to England after attending the July Honolulu Conference; Prof. Coarles K. Webster, of the University of Wales; General Barratt, U. S. A., retired, and Captain Kenneth Castleman, U. S. N., Admiral Bristol's chief of staff.

Yesterday afternoon Admiral Bristol called upon Marshal Chang Tso-lin, and also had an informal conference with Sir Miles Lampson. He leaves Peking tomorrow morning on his return to his flagship at Shanghai.

Sir Frederick Whyte was a particularly interesting guest because of his connection with the expanding nationalism of India. He it was who was sent out from Britain to India to act as speaker of the first Indian assembly, a position in which he had won the acclaim of Orient and Occident alike because of his fairness.

Former Congressman Wants Dry Consuls

William D. Upshaw, former representative in Congress from Georgia has urged the National W. C. T. U. to ask President Coolidge "to appoint no consular or diplomatic representatives of the United States who drinks intoxicating liquors either at home or abroad. Mr. Upshaw, according to the report which appeared in the *New York Times* on August 31, also recommended that the United States Government request foreign nations "to consider our great moral battle and send no representatives to this prohibition country who will claim diplomatic immunity for transporting and serving liquors outlawed to American citizens." The national convention of the W. C. T. U. which was held in Minneapolis in August, "demanded a militant plank for prohibition enforcement in all political party platforms."

Mackay Cable Interests Did Not Purchase Federal's China Interests

The Postal Telegraph Company, according to a report appearing in the magazine *Time* for September 5, while purchasing the interests of the Federal Telegraph and Radio Company of California did not purchase the interests of the Federal Telegraph Company of Delaware, as previously reported in *The Review* on Sept. 10. According to the previous report, which appeared originally in the *Japan Advertiser* the rights of the Federal Telegraph Company of Delaware, which consists of a concession to construct radio stations in China, had also been included in the Mackay deal. But this apparently was incorrect since the Federal Telegraph Company of Delaware is controlled by the Radio Corporation of America. The report in *Time* stated that the action of the Mackay interests in purchasing the Federal Radio rights was taken as a result of the Western Union Telegraph Company of America's decision to build a new cable across the Pacific. The Mackay interests which control the Postal Telegraph Company and the Commercial Pacific Cable Company intend to develop the radio as a complement to its transpacific cable.

In the United States Court for China

ROBERT MISHLER,

Plaintiff,

Cause No. 2896

Civil No. 1236

vs.

SUMMONS.

MARY ELIZABETH MISHLER,

Defendant.

Filed at Shanghai, China,
September 20, 1927.

L. T. KENAKE

Assistant Clerk.

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the complaint in the above entitled action upon the defendant

MARY ELIZABETH MISHLER

and to notify her to be and to appear before this Court on or before the fortieth day after service hereof to file her written answer on oath.

(SEAL)

WITNESS THE HONORABLE MILTON D. PURDY, Judge of the United States Court for China, Shanghai, China, Sept. 20, 1927.

L. T. Kenake

Asst. Clerk.

Excerpt from Regulations, Section 8: On proof of due notice judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

ROBERT MISHLER,

Plaintiff,

Cause No. 2896

Civil No. 1236

vs.

ORDER.

MARY ELIZABETH MISHLER,

Defendant.

Filed at Shanghai, China,
September 20, 1927.

L. T. KENAKE

Assistant Clerk.

ORDER.

The object of this suit is an action for divorce.

On motion of the plaintiff on this 22nd day of September, 1927, it is ordered that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays accruing after the day of the last publication of this order; otherwise the cause will be proceeded with as in case of default.

MILTON D. PURDY

Judge,

United States Court for China.

Dated: Shanghai, September 20, 1927.

The Drive Against Marshal Chang Tso-Ling

BY J. B. P.

The adjoining sketch map gives an idea of the situation in North China where war has broken out between Gen. Yen Hsi-shan, tupan of the so-called 'model' province of Shansi and Marshal Chang Tso-ling, leader of the Ankuochun, or Fengtien military forces in control of the Peking area. Actual fighting seems to have started on September 27 when Shansi troops under Gen. Shan Chen tore up the tracks of the Peking-Suiyuan Railroad in the vicinity of Hsiwanpu and Chaikoupu several miles south of Kalgan, isolating Marshal Chang Tso-ling's forces which were stationed in Kalgan.

Strict Censorship in Peking

Immediately following the clash, Marshal Chang Tso-ling established a strict censorship on all outgoing news from Peking, hence the rest of China has been pretty much in the dark regarding the situation, which at first was interpreted as an isolated clash between subordinate commanders and hence might be patched up. But on Monday, Oct. 3, Marshal Chang issued a circular telegram announcing his determination "to subjugate" Gen. Yen Hsi-shan, declaring that Gen. Yen "has lately been devoted to bolshevism and has been acting selfishly and furthermore has been acting in concert with my old enemy, Feng Yu-hsiang. Therefore I am compelled to issue orders to my armies to carry out a campaign against the Shansi armies in order to maintain peace and order. It is Yen Hsi-shan who has disturbed the peace in North China which was secured after the defeat of Feng Yu-hsiang. The blame for this must be laid at the door of Yen Hsi-shan."

Fighting Also on Peking-Hankow Line

In addition to the fighting north of Peking on the Peking-Suiyuan Railway, trouble has also broken out on the Peking-Hankow line south of Peking in the vicinity of Shihchiachuang, which is the junction point where the railroad leading to Taiyuanfu, the capital of Shansi, joins the Peking-Hankow railway. Marshal Chang Tso-ling has been trying for several months to induce Gen. Yen Hsi-shan to withdraw the troops which he has had stationed at Shihchiachuang, in order that Marshal Chang could move his troops down to Honan province in order to attack Feng Yu-hsiang. But Gen. Yen has consistently refused to withdraw his troops despite the pressure from Fengtien. Therefore, it was inevitable that serious trouble should break out sooner or later, and now it seems to have come and the probabilities are that Marshal Chang Tso-ling will be pushed out of Chihli Province and back into Manchuria, providing of course the Chinese people in that area permit him to return to his old base.

Yen Cooperating with the Nationalists

The Kuo Min News Agency, official organ of the Nationalist Government, in its report issued on October 1, stated that a meeting of the Government Council had been held in the Nationalist capital, Nanking, participated in by representa-

tives of both Yen Hsi-shan and Feng Yu-hsiang, at which immediate concerted action had been decided upon for the purpose of driving Chang Tso-ling, Chang Chung-chang and Sun Chuan-fang, the three Northern militarists, out of Shantung and Chihli provinces. The report stated that the "coalition would ultimately result in the unification of all parties because of the distinct similarity of their principles." The military campaign against the three Northern militarists is to be conducted simultaneously from both North and South. Gen. Yen will have charge of the sector to the North and West of Peking while Feng Yu-hsiang will operate northward along the Peking-Hankow line from Honan and also eastward along the Lung-Hai line with Hsuehchow as the objective. Then the Nanking commanders, Ho Yin-chin, Li Tsung-jen and Bei Tsung-chi will operate northward from Nanking along the Tientsin-Pukow Railway thus completely encircling the territories controlled by the Fengtien faction.

Yen Hsi-shan's Proclamation

Gen. Yen Hsi-shan, on October 1, issued a general proclamation, which, after reciting his troubles with Marshal Chang Tso-ling, declares that he has allied himself with the cause of the Nationalists in order "that all obstacles to the There People's Principles may be swept away and the aim of salvation of our people be achieved."

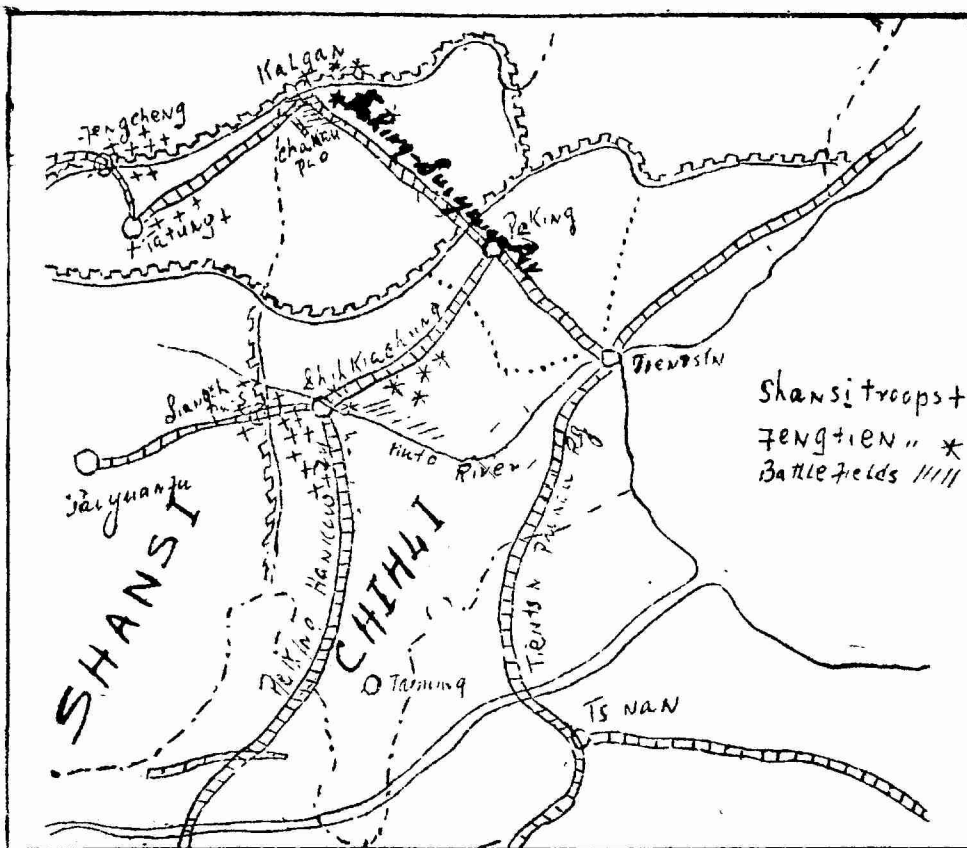
Owing to the strict censorship maintained in Peking it is impossible to determine accurately what has happened in the fighting to date, but reports from Nanking all tell of successes on the side of Yen Hsi-shan. One

report by the Kuo Min agency on Monday, Oct. 3, stated that Chang Tso-ling's troops had been forced to withdraw northward along the Peking-Hankow railway to a point near Paotingfu, the key-city of Chihli province and commanding the route to the capital at Peking.

The military strength of Gen. Yen Hsi-shan is given as 15 infantry divisions and 10 cavalry divisions, making a total strength of 25 divisions amounting to 170,000 men. The commanders in the field on the Shansi side will be Gen. Chang Ying-fu in control of the Lunghsien-Kwan route; Gen. Hsu Yung-wu in command of the Peking-Hankow route; Gen. Chen Kwan-shu in command of the cavalry corps and Gen. Yang An-yuan as commander of reinforcements.

Is Fengtien About to Break Up?

If one would believe reports in the Chinese press, the Nationalists and their Northern allies, Feng Yu-hsiang and Yen Hsi-shan, have picked an auspicious time for their combined push against Fengtien, for Fengtien is badly split up with dissension, chiefly in respect to the situation in Manchuria. According to the Japanese Toho news agency reports from Mukden on October 1, Chang Tso-ling has been greatly worried over the development of factions under Chang Hsueh-liang (son of Chang Tso-ling) and Yang Yu-ting, chief-of-



Sketch Map Showing Positions of Shansi and Fengtien troops at the Beginning of the Struggle for the Mastery of North China.

staff of the Fengtien. It is impossible at this distance to understand the real inwardness of the situation in Manchuria, but reports from Mukden indicate that extreme dissatisfaction exists among the people with Marshal Chang whom the people hold responsible for their troubles with the Japanese. Then in addition to this there is also dissatisfaction in Shantung province with Gen. Chang Chung-chang, who has ruled that province in typical bandit style, has flooded the area with worthless paper money and has forced most of the people with property to flee to other parts of the country in order to avoid extortion. The recent defeat of Gen. Sun Chuan-fang in his attempt to reoccupy the territory south of the Yang-tsze also constituted a serious blow to the prestige of the Fengtien Party since Chang Tso-ling gave Gen. Sun every possible support from the standpoint of munitions and money. It therefore would appear that Marshal Chang Tso-ling's days as dictator in North China are numbered, although it is always unsafe to speculate on the outcome of any military campaign in China. Marshal Chang Tso-ling is undoubtedly better equipped for war than his opponents, but his men lack the morale or spirit which exists in the Nationalist camp.

Gen. Chang Fa-kwei Controls Canton

Gen. Chang Fa-kwei, formerly a subordinate commander in the Nationalist forces at Hankow, has completely taken charge of affairs in Canton, according to latest reports from that area. However, it is yet too early to know what the outcome will be. The Japanese reports have indicated that Gen. Chang Fa-kwei may cooperate with Gen. Tang Shen-tse at Hankow against Nanking, but this sounds improbable owing to the fact that it was Gen. Tang who made it practically impossible for Gen. Chang Fa-kwei to remain in the Yangtze Valley and forced him to return to Canton. Reports are still conflicting regarding the activities of the so-called 'communist' troops under Generals Ho Lung and Yeh Ting which occupied Swatow several days ago, but according to reports from Nanking, they are likely to be dislodged by stronger forces from Canton. The situation respecting the relations of Gen. Tang Shen-tse and Nanking are also indefinite as yet, but Nanking officials insist that there is little likelihood of an immediate outbreak. Wang Ching-wei, former chairman of the Central Executive Committee at Hankow, who spent considerable time in Hankow in conference with Gen. Tang, has now returned to Kuling and is reported to be working for a peaceful settlement of the situation, which would preserve ease in the Yangtze Valley.

Death of Dr. Gilbert Reid, Founder of International Institute

Dr. Gilbert Reid, founder and director of the International Institute, died at Paulun hospital, Shanghai, September 30, at the age of 69. The funeral, which took place the following day, was conducted by Dr. F. L. Hawks-Pott and Dr. Evan Morgan.

Dr. Reid was born in Laurel, Long Island, New York, November 29, 1857, and came to China in 1882 as a missionary, having served previously in the United States as an ordained Presbyterian minister. After several years work in various parts of China, he returned to the United States and resided for two years in Warsaw, N. Y. He returned to China in 1894 after resigning from missionary work and started an independent mission among the higher classes of Chinese. This soon evolved into the International Institute. The work of the Institute, which was at first started in Peking, was interrupted by the Boxer troubles of 1900, and two years later the Institute was removed to Shanghai, where it owns property and buildings at 290 Avenue Joffre.

Dr. Reid came very much into the limelight during the European war. As a result of his speeches and articles opposing China's entrance into the war (on the ground that it would disrupt the existing political situation in China) the Chinese authorities requested the American authorities to ask him to leave China. He thereupon proceeded to Manila, where he acted as tutor to the children of the Chinese Consul General.

The International Institute is Dr. Reid's best monument, although it has not always received the financial support which its lofty aims deserved. Its object was to bring about a better understanding of the people of all religions, and Dr. Reid's platform was so broad that many a prominent Christian worker was inclined to stand aghast. "Within the four seas all men are brothers" was the cornerstone of his endeavors, and it is an undoubted fact that Dr. Reid's work went far towards promoting harmony between people of different faiths and different races. He was a profound Chinese student and had a large circle of Chinese friends.

BOOKS BY ANNINA PERIAM DANTON, PH. D.

Professor in the Department of Western Languages and Literature, Tsing Hua College.

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Men and Events

Mr. and Mrs. C. M. Wentworth returned to Shanghai last week from a holiday in the United States.

Ivan White of the Liggett & Myers Tobacco Co. proceeded to Kiukiang last week where he will be temporarily stationed. The Columbia Country Club of Shanghai will hold tea dances from 5.30 to 8 p. m. every Sunday during the coming season.

Mr. and Mrs. V. G. Lyman returned to Shanghai September 29 on the s. s. *President Pierce*, after an extended visit to the United States.

The American Players of Shanghai, one of the best of local amateur groups, produced "The Show Off" in the Carlton Theater October 6.

Mrs. Wilbur Judd, wife of the executive secretary of the Navy Y. M. C. A. returned last week from an extended holiday in the United States.

Dr. E. C. Lobenstine, secretary of the National Christian Council, who has been in America for the past three months returned to Shanghai last week.

Col. S. F. Tai, the new Commissioner for the Municipality of Greater Shanghai, accompanied by Tseng Yun and T. T. Chen made formal calls on the principal Foreign Settlement officials September 29.

Mrs. J. B. Omohundro sailed on the s. s. *President Cleveland* September 30 for a holiday in the United States. Mrs. Omohundro is the daughter of Dr. and Mrs. Maddox of the Hangchow Christian college.

Wong Hsiao-lan, former chairman of the Chapei Chamber of Commerce, assumed office as chief of the National Cigarette Tax Bureau at 348 Avenue Joffre, French Concession, October 3.

A moving picture entitled, "Pieces of China" which was produced in China two years ago by Isaac O. Upham on behalf of the Oriental Pictures Corporation of San Francisco, is shortly to be shown at the Roxy Theater in New York.

Mrs. Milton D. Purdy, wife of the Judge of the United States Court for China, returned to Shanghai during the week after an extended vacation in the United States, mostly spent in her former home in Minnesota.

The Current Issues Class of the Community Church, Shanghai, which meets every Sunday in Room 260 of the American School, and is conducted by Dr. Frank Rawlinson, is the successor to the International Fellowship Group.

F. F. Glass, who has been connected during the past several years with various publishing and printing enterprises in Shanghai, departed October 2 for Amoy where he has obtained a position in a clerical capacity at the American Consulate.

Charles K. Payne, vice president of the Charleston (W. Va.) National Bank and Col. Bryant H. Blood, formerly general manager of Pratt & Whitney, Hartford, Conn., stopped over in Shanghai during the week in the course of a round-the-world trip by the Dollar Liner *President Wilson*.

Julian Arnold, U. S. Commercial Attache, arrived in Shanghai from Peking during the week and met Mrs. Arnold and their children, who returned to China from an extended visit in the United States. They are proceeding immediately to Peking.

In denying a divorce petitioned for by the wife of an American sailor on the ground that he had assaulted her while drunk, Judge Purdy in the U. S. Court for China September 29 said he refused to allow the Court to be "made a laughing stock where divorces could be obtained easily."

Colonel Lindbergh may come to China next year. At a banquet given in his honor at Fargo, N. D. August 26, an invitation was extended to him to come to China and join the Nationalist Government as adviser in aviation, by Dr. Tien Lai-huang, who was one of the guests, and Col. Lindbergh replied that upon completing his work in America he might do so.

The "Fascisti" party was formally organized in Shanghai September 29 at the Masonic Hall. Bernard Firth, founder of the movement, occupied the chair, being supported by his co-workers H. P. King and W. J. N. Dyer. Others who took a prominent part in the meeting were Capt. A. E. N. Howard, E. Strother and A. C. de Sowerby.

To-day (October 8) is being observed as International Day in the series of meetings held during the past week by the National Anti-Opium Association. The purpose of International Day is to make the Chinese anti-opium movement better understood by foreigners and thus to secure their sympathy and cooperation.

In reply to a letter from Iva M. Miller, of the Council of Health Education, the Shanghai *Municipal Gazette* of September 30 published the information that the large bell in Jessfield park was cast in 1865 by E. A. and G. R. Meneely, West Troy, New York, was imported from America in 1881 at a cost of \$1,500 and was hung in the Central Police station fire tower. It was removed to Jessfield park in 1922.

Who's Who in China



Mr. King Chu

朱經農

Chu King Nung

Mr. King Chu, a native of Poasan, was born 1886 in Pukiang, Chekiang, where his father was a magistrate. Being left an orphan at nine, he received his early education from his uncle at Changsha, Hunan. At fifteen, he entered the Changsha Middle School and was soon one of the best students in the class. In the following year he was sent to Japan to study first in Gobun Academy, and then in Seijo Middle School, Tokyo. Seeing that foreign education was not suitable for a Chinese of his age, he decided to return home immediately and enrolled in the China National Institute, Shanghai.

In Japan, Mr. Chu joined the Revolutionary organ under Dr. Sun Yat Sen's leadership. In 1911 he participated in the revolutionary propaganda at Changsha. After the establishment of the Republic, he became an editor of various newspapers, of which the *National Herald* in Peking deserves special mention.

In 1916 Mr. Chu sailed for America, and studied in the University of Washington, where he was awarded a B. A. in February of 1919, and M. A. in June of the same year, and admitted as a candidate for Ph.D. in 1920. After having spent one year in Columbia, he returned to China to accept the professorship of education in Peking University. Since 1922, his work may be summarized as follows: Editor of the Commercial Press; Head of the Chinese Department of Shanghai Baptist College, 1924-1925; Dean of Kwang Hua University, 1925-1926, and Vice President, since 1926; Commissioner of Education of the Municipality of Greater Shanghai, which post he still holds.

As a writer, Mr. Chu edited three series of text-books for elementary schools, and "Contemporary Educational Series," translated the "School of Tomorrow" by John Dewey, and is editing the "Encyclopedia of Education" in Chinese. Besides, he contributed many articles to various magazines and journals.

Miss Gracs Li, a daughter of former President Li Yuan-hung, has returned to Tientsin after several years spent in the United States where she received the A. B. degree from Barnard College and an M. A. from Teachers College, Columbia University, N. Y. Miss Li had intended to remain in America another year in order to receive a Ph. D. degree, but decided to return to China in order to engage in educational work.

Nationalist Representative Calls on Kellogg and Coolidge

The Ministry of Foreign Affairs in Peking received a cable on Sept. 25 from Dr. Sao-ke Alfred Sze, Chinese Minister in Washington stating that Dr. Frank Lee or Li Chin-luen, American representative of the Nationalist Government had arrived in Washington and had been granted an audience by Secretary of State Kellogg and President Coolidge. According to Dr. Sze's cable to the Peking Government, Dr. Lee was assured by the Secretary of State and the President that the Nanking Government was not "red"; that it has nothing to do with any movement for world revolution and was only concerned with the carrying out of "The Three People's Principles" of Dr. Sun Yat-sen. In the course of his conversations with Washington officials, Dr. Lee stated that the Nanking Government hoped that new treaties might be concluded with America and that the American Government would negotiate with the Nationalist Government as far as diplomatic affairs in South China were concerned.

America to Refuse Payment of 'Illegal' Taxes

The American Government, according to the U. S. Consulate-General at Shanghai, is planning to resist payment of the so-called 'illegal' luxury taxes which have been assessed recently by the Nationalist Government. The present action which affects cigarettes and alcoholic liquors, is later to be extended to other luxuries on the lists compiled by the Nationalist Government in case the general luxury tax is enforced, according to the report. The procedure to be adopted by the American authorities is not yet known, or was not when this was written, but it is understood that the Consul-General will grant American shipping agencies and proprietors of bonded warehouses the right to release cargoes upon payment of duties covered by treaties only, which means 5 percent plus tonnage dues and Whangpoo Conservancy dues. This will be done in case the Chinese Maritime Customs administration refuses to release goods unless the surtaxes are paid.

Nanking Ministry of Finance Appointments

Mr. Sun Fo, Minister of Finance, of the Nanking government October 2 announced the appointments of the following members to fill the respective posts in the Ministry of Finance: Mr. Chen Chien-lu, Chief of the Secretariat; Mr. Fu Ping-shang, Chief of Customs Administration; Mr. Liu Wei-shih, Chief of Salt Administration; Mr. Sheng Chao-wu, Chief of the Stamp-tax Bureau; Mr. Pei-hung, Chief of the Opium Suppression Bureau; Mr. Chia Shi-yi, Chief of the Tax Bureau; Mr. Wang Tseng, Chief of the Mint Department; Mr. Yu Shi-chi, Chief of the Account Department; Mr. Chiung Yen-chin, Chief of the Government and National bond office; Mr. Chen Ti-shan, Chief of the National Treasury; Mr. Chang Chao-yuan, and Mr. Li Chao-kuan, Councillors of the Ministry; Mr. Wang Tseng and Mr. Li Chao-kuan, Managing Director and Assistant Director of the Central Bank.

The China Courier's Suit

The suit brought by the *China Courier*—which according to the notice at the head of its editorial column is incorporated under the laws of the state of Delaware, but which on its title page states it is a "mirror of Chinese public opinion"—against the Shanghai Municipal Council for damages because the Council cut off the electric power supply when it refused to pay the increased Municipal taxes about two months ago, was heard before the Court of Consuls, October 4. Judgment was reserved.

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From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

September 28—Gen. Chiang Kai-shek, accompanied by Chang Chung, former councillor of the Nanking Government, Liu Chi-wen, former mayor of Nanking and Dr. Chen Feng-chih, a physician, departed for Japan—Tang Shen-tse goes to Changsha from Hankow to inspect troops—Wu-han branch of Kuomintang Political Council decides to stabilize exchange rate for paper money in Hankow at \$1 paper equals 20 cents silver and orders a moratorium for a period of two months; amount of paper money outstanding in Hankow is as follows: Central Bank \$20,000,000, Bank of Communications \$10,000,000 and Bank of China \$30,000,000, while treasury notes outstanding amount to between \$10,000,000 and \$20,000,000—Toho report states situation becomes tense between Fengtien and Yen Hsi-shan along Peking-Hankow Railway—Wang Ching-wei refuses to remain in office at Hankow and departs for Kuling—Generals Yeh Ting and Ho Lung form new government at Swatow, which according to Toho report, includes many 'communists'—Hongkong report states that Gen. Chang Fa-kwei has 40,000 troops near Canton—Kuo Min report states that the 'communist' troops have evacuated Swatow owing to fear of being cut off—Kuo Min report states that there is no friction between Li Chi-shen and Chang Fa-kwei and that they are planning to cooperate against the 'communists'—Nanking Military Council establishes wireless station in Nanking for communicating with Shanghai—Nanking report states that Feng Yu-hsiang has concentrated 200,000 men at Kao-chen on the Shantung-Honan border and has ordered an offensive on Tsaochow, Shantung; Feng Yu-hsiang organizes a special Kuomintang Party committee in Honan—Serious bandit outbreaks occur near Wushih in Kiangsu—Chang Tso-ling decides to suppress all 'red-spear' bands in Chihli province—Nanking Government appoints Chia Shi-yi, former vice-minister of communications at Peking as vice-minister of Finance—Chu Yen, head of land bureau of Shanghai-Woosung Special Administrative District, kidnapped in Shanghai French Concession and held for ransom.

September 29—Kuo Min report definitely states that 'communist troops' under Yeh Ting and Ho Lung at Swatow were defeated and forced to evacuate by forces from Canton—Government Council at Nanking appoints Financial Supervisory Committee composed of C. C. Wu, Chow Lu, Gen. Tan Yen-kai, Bei Tsung-chi, Ho Yin-chin and Chen Zung-yung to serve with Sun Fo, Minister of Finance; Government also formed Foreign Relations Committee composed of Wang Ching-wei, Hu Han-min, Chang Chi, Sun Fo, Wang Chung-wei and Tai Chuan-shien to serve with C. C. Wu—Wang Ching-wei refuses to accept office again but pledges himself to work for the Kuomintang as a private individual—Gen. Bei Tsung-chi orders release of steamer *Chao Yang* which had been seized by the 17th army and also ordered the military not to interfere further with Chinese shipping—Shanghai Chinese Telephone Company opening long-distance service between Nanking and Shanghai—C. C. Wu, Sun Fo, Wang Pei-chun and Gen. Ho Ying-ching return to Nanking from Shanghai—Toho report from Tokyo states that large number of members of Japanese House of Representatives have departed for a tour of China—Japanese report states that the 'communist' troops under Generals Yeh Ting and Ho Lung forced the Chinese chamber of commerce to advance \$50,000 before they evacuated; Chamber of Commerce members also leave for Hongkong—Government reorganized Chekiang provincial government, appointing Gen. Ho Yin-chin as chairman in place of Gen. Chow Feng-chi and Y. M. Chien as financial commissioner of Chekiang—Kuo Wen report from Hankow states that Gen. Chen Chia-mo, former military governor of Hupeh and lieutenant of Wu Pei-fu, who has been in prison since the fall of Wuchang, is seriously ill and not expected to live—Chang Tso-ling continues to arrest students in Peking on charges of communism; students said to have been conducting agitations on the Manchuria question—Gen. Chang Hsueh-liang returns to Peking from trip to Taiyuanfu where he interviewed Yen Hsi-shan and reported that part of the Shansi troops are to be withdrawn from the Peking-Hankow line enabling Fengtien troops to be sent to Honan.

September 30—Chang Tso-ling decides, in view of critical situation in connection with Shansi to transfer Fengtien troops from Peking-Hankow line to Peking-Suiyuan line, Marshal Chang believing that the action of Gen. Shan Chen who attacked the Fengtien forces near Kalgan was with Kuominchun support; Chang's forces at Kalgan under Gen.

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Kao Wei-yo, number 30,000—Later reports from Peking state that Shansi troops have definitely assumed offensive against Chang Tso-ling and cut the Peking-Suiyuan railroad at Hsinwanpu and Chaikoupu; Chang Tso-ling arrests agents of Gen. Yen Hsi-shan in Peking—Wu-han branch of political council issues circular telegram agreeing to recognize Nanking Government as de facto pending constitution of legal government—Later reports from Swatow state that 'communist' troops are still in possession of city and that both Generals Ho Lung and Yeh Ting are both in city—Chinese gunboats sent to Swatow from Canton unable to make landing and withdraw—Gen. Chiang Kai-shek in *Toho* interview at Nagasaki states his intentions to renew acquaintance with Japanese leaders—Chang Tso-ling summons military leaders for conference on military situation and establishes strict censorship on all telegrams leaving Peking for outside—Gen. Chang Fa-kwei definitely enters Canton—Chang Tso-ling sends urgent telegram to Yan Yu-ting and Han Lin-chun urging them to hurry back to Peking and orders Gen. Wu Chun-sheng, tupan of Heilungkiang to return to Mukden immediately from Peking—General Labor Union in Hangchow stages massmeeting attended by 5,000 and pass resolutions repudiating action of Nanking Conference in creating Central Special Committee—*Kuo Min* agency issues declaration from Gen. Chiang Kai-shek in which he urges a continuance of patriotic endeavor on the part of the Whampoa Military Academy—Nationalist Government announces plan to reduce military expenditures to \$6,000,000 a month and other governmental expenditures to \$1,000,000 a month—Nationalist Cabinet officers take oath of office in Nanking—Dr. Tsai Yuan-pei, director of Nationalist University Council announces appointment of King Tseng-cheng as chief secretary, C. Yang as chief of administrative department and Kao Li as director of the graduate department—Chinese naval authorities at Tsingtao plan establishment of naval dockyard for repair of ships—Chinese commercial bodies in Shanghai protest dismissal of Gen. Chow Feng-chi from office in Chekiang; reported that Gen. Chow's troops are to be disarmed—Government appoints Wang Hsiao-lai as head of Cigarette Tax Bureau.

October 1-2—Japanese *Toho* report from Peking states that preparations are being made for Chang Chung-chang, tupan of Shantung and Tang Shen-tse, military commander at Hankow to launch a united attack on Nanking—Further fighting develops between Shansi and Fengtien at Chengting on the Peking-Hankow line; general fighting expected to develop shortly between the factions—'Communist' troops at Swatow continue to maintain positions, but Japanese report states they will lose out eventually owing to shortage of ammunition—*Toho* report states that Chang Tso-ling has telegraphed Yen Hsi-shan tupan of Shansi demanding release of Gen. Yu Chen and others of the Fengtien forces now held at Tatung; prompt repair of the Peking-Suiyuan railway which was cut by Shansi troops and immediate suspension of military activities in Suiyuan—Chinese Minister at Moscow reports that Soviet Government has concluded treaty with Outer Mongolia respecting navigation rights—Borodin arrives at Verchne Udinsk from Urga by airplane—Gen. Chang Fa-kwei formally takes post of Chief of Bureau of Military Affairs at Canton and his lieutenant Gen. Chu Hui-je appointed head of public safety bureau; public opinion seems to support Chang Fa-kwei and to favor an alliance with the Wu-han faction; also alleged Gen. Chang is friendly toward the 'communist' armies at Swatow—Mongolian labor union at Urga joins Third International, according to Japanese report—*Kuo Min* agency report states the action of Yen Hsi-shan in attacking Chang Tso-ling is in accordance with a general campaign to be participated in by Feng Yu-hsiang and Nanking—*Kuo Min* circulates text of proclamation by Yen Hsi-shan in which the Shansi tupan announces his allegiance to the Nationalist Government—Gen. Liu Sze formally installed as commander of First Nationalist Army at Shanghai—Attack on Woosung fort by Chang Tso-ling's fleet repulsed by Nationalist fleet—*Kuo Wen* report states that Fengtien forces opposing Shansi on the Peking-Suiyuan line number 30,000 including a cavalry brigade from Jehol and the 9th army under Gen. Kow Wei-yoh, while Shansi troops under Gen. Shang Tsung total 20,000 in two brigades commanded by Generals Yang Ai-yuan and Tang Chun-ling—Reported that financial situation at Hankow has improved since announcement of moratorium.

October 3—Japanese *Toho* report from Swatow states that the 'communist' troops under Generals Ho Lung and Yeh Ting have evacuated Swatow—Chang Chung-chang, tupan of Shantung arrives in Peking for conference with Chang Tso-ling and Fengtien leaders regarding the serious military situation caused by the war with Shansi—Yang Yu-ting returns to Peking from Mukden—Chang Tso-ling issues circular telegram declaring war against Yen Hsi-shan, tupan on Shansi, declaring that Yen has gone 'bolshhevik' and has allied himself with Chang's old enemy, Feng Yu-hsiang—

In the United States Court for China

LENORE K. HARTIGAN,

Plaintiff,

Cause No. 2990

Civil No. 1238

vs

SUMMONS

LEONARD W. HARTIGAN,

Defendant.

Filed at Shanghai, China,
October 5, 1927.L. T. KENAKE
Asst. Clerk.

The President of the United States of America

To the United States Marshal for China and his Deputies—
GREETING:

You are hereby commanded to serve this Summons and a copy of the complaint in the above entitled action upon the defendant

LEONARD W. HARTIGAN

and to notify him to be and appear before this Court on or before the fortieth day after service hereof to file his written answer on oath.

(SEAL)

WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, Shanghai, China,

L. T. Kenake,
Asst. Clerk

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

LENORE K. HARTIGAN,

Plaintiff,

Cause No. 2990

Civil No. 1238

vs

ORDER

LEONARD W. HARTIGAN,

Defendant.

Filed at Shanghai, China,
September 30, 1927.L. T. KENAKE
Asst. Clerk

ORDER.

The object of this suit is an action for divorce.

On Motion of the Complainant, it is this 30th day of September, 1927, ordered that the Defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays accruing after the day of the last publication of this Order; otherwise the cause will be proceeded with as in case of default.

MILTON D. PURDY

Judge

United States Court for China.

September 30, 1927

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Mukden report from *Toho* states that Chang Tso-ling is worried over the situation in Manchuria owing to the development of factions under Chang Hsueh-liang and Yang Yuting and that Chang has decided to appoint Gen. Wu Chun-sheng as acting commander of the forces in the Three Eastern Provinces—Gen. Liu Shang-ching, scheduled as civil governor of Fengtien, departs from Peking for Mukden—Gen. Chang Ting-fan, Mayor of the Shanghai-Woosung special area issues statement that reports that Sun Chuan-fang is again advancing on Nanking to be groundless—*Kuo Min* report from Nanking states that Shansi troops have defeated Fengtien in the initial engagements on Peking-Hankow line and that Fengtien has retreated to a point near Paotingfu, some 100 miles from Peking and controlling the route to Peking—Reported that break-up of Fengtien party is imminent with Gen. Han Lin-cheng leading a revolt against Chang Tso-ling; martial law in Mukden—Large crowd attends ceremonies in Nanking when new officials of Government are inaugurated—*Kuo Min* issues set of special slogans which the people are to be permitted to use in propaganda supporting the Government.

October 4—Chang Tso-ling officially appoints Liu Hsiang-ching as civil governor of Fengtien—Sun Fo, C. C. Wu and other members of Nanking Government go to Kiukiang to interview Wang Ching-wei to try to induce him to enter the government—Canton Government refuses to abolish branch of Political Council ordered by Nanking Government and Gen. Chang Fa-kwei issues interview attacking Government for formation of Central Special Committee as being violation of Kuomintang rules; Canton showing friendliness to Wu-han—Fengtien suffers severe defeat at Kalgan and retreats to Nankow Pass for stand—Feng Yu-hsiang and Yen Hsi-shan publish agreement for united war against Fengtien—Chang Tso-ling appoints his son, Chang Hsueh-liang to command troops on Peking-Hankow line—Wu-han branch of Political Council recalls officials to serve in Financial and Foreign Affairs offices—Yen Hsi-shan, according to *Toho* report has issued declaration of war against Fengtien and announces that definite agreement reached for co-operation on the part of Feng Yu-hsiang, Tang Shen-tse and Nanking—Chang Tso-ling appoints Chang Hsueh-liang and Han Lin-chen to command forces on Peking-Hankow line and Sun Chuan-fang in command of Tientsin-Pukow line—Northern troops, reinforced by White Russians stiffen resistance in Northern Kiangsu along the Grand Canal and along the Lung-Hai railway from Haichow to Hsuehowfu to prevent Nanking troops from advancing on Shantung—Chang Fa-kwei at Canton issues statement denying any 'communist' affiliations—Sun Fo appoints Chu Ko-ting as supervisor of stock exchanges at Shanghai—Feng Yu-hsiang reported to have wired his representative, Gen. Chang Sun-sung, at Nanking to return to Honan immediately—Gen. Ho Chien appointed commander of forces in Anhwei.

October 5—6—*Toho* report stated that Fengtien troops, which previously were defeated and retreated disorderly from Kalgan, have been reorganized and are making a stand at Haulai and Nankow; other reports state extreme confusion exists in Peking and fear exists that Capital may be evacuated—Report from Japanese sources in Tientsin states that Feng Yu-hsiang is planning to advance across northern Shantung directly on Tientsin; Fengtien establishes headquarters at Paotingfu; stated that Fengtien and Shansi strength in this area is about 40,000 troops each—Mr. Mority, speaker of Japanese House of Representatives, and seven members of Japanese Diet arrive in Shanghai on inspection trip of China—Although Chang Fa-kwei has announced his intentions of supporting Gen. Li Chi-shen at Canton, considerable uneasiness prevails and officials formerly serving under Gen. Li are departing for Japan—Anti-Mukden propaganda spreads in Tientsin area—Japanese landing party at Swatow withdrawn—Chang Tso-ling appoints Gen. Mo Teh-hui as Minister of Agriculture and Industry of Peking Government—Nanking Government issues through *Kuo Min* agency, statement telling of evacuation of Kalgan by Fengtien troops and also states that serious dissension has broken out in Chang Tso-ling's camp between the troops from Kirin and Jehol—Feng Yu-hsiang announces his intentions of advancing on three fronts: (1) His troops north of the Yellow River in Honan will advance on Techow, Chihli; (2) Troops under Gen. Liu Chen-hua will advance into western Shantung and attack Taianfu and Tsinanfu; (3) Troops under Gen. Lu Chung-lin will advance eastward along Lung-hai to attack Hsuehowfu in northern Kiangsu—Government Council in Nanking votes to send \$1,000,000 to Feng Yu-hsiang immediately for military purposes—Nanking Government issued declaration of war reciting crimes of Chang Tso-ling—Nanking Government announces that the luxury tax on cigarettes and cigars has been reduced from 50 percent to 27½ percent—Nanking Government makes preparations for celebration of National Holiday on October 10—Bandit gangs continue active in Soochow and Wusih areas along Shanghai-Nanking Railway.

New Books of Interest in the Far East

The Mineral Riches Of The Far East

The Mineral Production And Resources Of The Far East, by Boris P. Torgasheff, formerly Russian Commercial Attache and Lecturer of the Peking National University. Pp. XII + 444. \$5. Prefaced by Dr. Polevoy, President of the Russian Far Eastern Geological Committee. Published by Economic Bureau of the C. E. Ry, Harbin, 1927. In Russian. (In preparation in English.)

Mr. Boris P. Torgasheff's work is the first essay in existence to analyze the actual state and prospects of the mining industry of the Far East taken as a whole, that is, covering the countries: China, Manchuria, Japan with its colonies Korea and Formosa, Indo-China, Philippines and Russian Far East. In sixty chapters are covered gold, silver, lead, zinc, coal, iron, oil, copper, tin, antimony, tungsten, mercury, bismuth, nickel, cobalt, aluminium, platinum, manganese, molybdenum, arsenic, chromium, asbestos, graphite, soda, salt, pyrites, fluorspar, mica, cement, gypsum, kaolin, alunite, magnesite, talc, phosphates, asphalt, oil-shale and others. The book contains 272 statistical tables, brought up to 1925 inclusive, and all the fundamental statistical information has been obtained by the author himself directly from the central mining and geological institution of the mentioned countries.

The book enumerates the most important mineral deposits and operating mines in each of the countries, and analyses the commercial prospects of further development in that or this branch of mining, giving for that purpose abundant information on market conditions in the Far East as well as on the world mineral market.

Mr. Torgasheff has laid as a basis for his work the correct statement that the real prospects of the mining industry of any separate country cannot be measured by any abstract valuation of its mineral wealth. The real commercial value of mineral resources, and the real prospects of mining in the country cannot be properly estimated unless we make a careful comparative analysis of the mineral resources and possibilities of a number of other countries, which either are already established upon the world market or have every possibility to influence it in the future.

Mr. Torgasheff's book is prefaced by Dr. P. I. Polevoy, a prominent Russian geologist of old repute and the actual President of the Russian Far Eastern Geological Committee. In the resume of his preface, Dr. Polevoy thus characterizes Mr. Torgasheff's work: "The broad manner in which the subject is handled permits us to look far beyond our local horizons. The Book makes it possible to form a sound judgment of mining prospects, owing to the abundant data submitted for comparison. All that greatly enhances the value of Mr. Torgasheff's work. Every one interested in mining problems of the Far East, and everyone who desires to form a definite judgment of the real state of affairs in Far Eastern mining, should not only acquaint himself with this work, but should also give attentive thought to the problems and prospects outlined by the author".

The English edition of the book is in preparation, and so far only the Russian edition is available for persons interested. However, it is reviewed because the acquaintance with it might be of practical value for the mining man, particularly now when foreign capital attentively watches the prospects of investment in the Far Eastern mining field.

In The Realms Of Mysticism

Uharua, by Gervae Baronti. Philadelphia: Dorrance and Company

Her long stay in Egypt and India, and her fondness for the Eastern mysticism have made the author, who is better known in Shanghai as Mrs. G. A. Bena, a mystic. She was for a long time searching for the mystic wisdom of the East, and with this end in view she sat at the feet of Rabin-dranath Tagore, and visited Adyar, the home of the Theosophical Society. At times she made experiments into yoga and tantra, and composed songs of mysticism.

In this book which is a novel dealing with Shanghai life, the author finds an opportunity to give her matured views on mysticism. It is a mystic story speaking of healing, trances, clairvoyance, etc. There is humor here and there and the monotony of philosophy is by no means burdensome.

The story in itself is highly interesting, and is written in the peculiar style of the talented author.

The philosophy presented in the pages of the book is as hypothetical as the writings of Mrs. Besant. One can not pronounce his judgment on the merit of this kind of thought, as it is not based on logic and is not verifiable. In fact we can not call such writings philosophical, as they are beyond the range of reason. But if one can accept the irrational writings of Mrs. Besant or Jami, then the view of

the life and the world presented by the author also merits consideration. Let it be remarked that this kind of irrational philosophy is not for the normal and healthy mind, but it is interesting and may give some comfort to a peculiar type of investigators.

The author gives a long description of Atlantis, a continent now submerged. This is different from what we get in the writings of others on the subject. Whom are we to trust? This is a remarkable book and those who go in for theosophical studies may study it.

H. P. SHASTRI

The Himalayas

The Top Of The World, by Welthy Honsinger Fisher. New York: The Abingdon Press. Price U. S. \$2.50

The Himalayas have a peculiar attraction to all. The scientist visits it for his investigations, while the mystic goes to it in search of the ancient wisdom that is said to be in the out of the way libraries of its hermitages. Everest Peak has attracted many expeditions, but none has so far reached the summit of it. The most beautiful valley of Kashmir, the holy places like Budri and Kedar, amidst the perpetual snows; and the most charming scenery of Kulu and Kapaal are worth visiting.

In this delightful book we find a very interesting account of the Himalayas near Darjiling. The description of the Lamas, and their grand book, the Buddhist Suttras, is vivid. The book contains a number of original illustrations which enhance the value of the book, and render it instructive.

H. P. SHASTRI

A Book on Newspaper Workers

Genius on Newspaper Row, by Henry Justin Smith. Chicago: Daily News

This is the thirtieth of a series of reprints published by the Chicago Daily News describing the experiences of noted writers in American daily journalism. Here we get glimpses of such eccentric geniuses as Walt Whitman and Eugene Field, of such illustrious authors as Bret Harte and Samuel Clemens (Mark Twain), and such trenchant editors as Greeley and Dana. Newspaper work, through the agency of the schools of journalism, is becoming very much standardized, as are other industries. But there is still scope for the man with genius who comes up from the ranks. Journalism is not like architecture, for example, where the laws of balance and strength must be strictly observed or else the structure will fall; some journalists succeed apparently in defiance of all accepted standards. The secret is that they have happened to strike some hidden human emotion or explored some growing field of human interest.

Foreign Trade Convention Report

Foreign Trade in 1927. Official Report of the Fourteenth National Foreign Trade Convention, at Detroit, Mich. May 25, 26 and 27, 1927. Issued from headquarters in New York: India House, Hanover square.

When the big business men of the United States get together in a convention things are sure to hum, and in three days at Detroit last May enough was said and done to require a report of 555 pages. Among the more important subjects touched were Flood control, revision of Customs regulations, the merchant marine, parcel posts, foreign mail service, foreign trade zones, and agricultural exports.

As is well known China enjoys with America a very liberal parcel post arrangement, fifty pounds being the limit, the same as that in the domestic parcel post. With many foreign countries only 11 lbs. are accepted as parcels. The Detroit convention went on record as increasing this limit to 22 lbs.

The True Story of Ah Q

A character sketch of a Chinese rustic by Lu-hsun, foremost scholar and writer of the new literary movement in China. "Ah Q" is the first noteworthy creation of the new literature. This piquant, ever-animated sketch delights us with the quaint whims and utterances of villagers. The English translation is admirably done by G. K. Leung. \$1.20

The Commercial Press, Ltd., Publishers

Latest New York Stock Exchange Quotations

Oct. 5, Supplied by J. E. Swan & Co. Tel. C. 6615 6619.
Market Closed Strong Business Done 2,800,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	162	161½
American Can (Common)	63½	65¾
American Radiator (Common)	142½	139½
Amer. Smelting & Refining (Common)	173¼	171
American Telephone & Tel. (Common)	177¾	179½
American Tobacco "B"	151¾	153½
Baldwin Locomotive Co. (Common)	255½	254½
Bethlehem Steel (Common)	61¾	60
Bethlehem Steel, Pfd. 7%	116½	116¼
Baltimore & Ohio (Common)	121½	123¼
Canada Dry Ginger Ale (Common)	53½	52½
Cheasapeake & Ohio (Common)	205½	214
Eastman Kodak Co. (Common)	171	168½
General Baking "A"	71	74¾
General Electric (Common)	136¼	137¾
General Motors (Common)	265¼	273
Goodrich (B.F.) Co. (Common)	83¾	81
International Match, Pfd.	87	83½
International Nickel (Common)	70¾	69
Liggett & Myers, Class "B"	124½	127
Mack Trucks (Common)	108¾	109½
New York Central (Common)	168½	170
Packard Motor Car Co. (Common)	43	44¾
Phillips Petroleum (Common)	42¾	41¼
Pacific Gas & Electric	44¾	44
Radio Corp. of America (Common)	64½	66¾
Reynolds Tobacco, Class "B"	149¾	149¾
Standard Gas & Electric (Common)	64	64¾
Schulte Retail Stores (Common)	53½	52½
Southern Railway (Common)	132¾	134¼
Standard Oil of California	53¾	53¾
" " of New Jersey	40	40
" " of New York	31½	31¾
" " of Indiana	73¾	73¾
Texas Corporation (Common)	51¾	51
Tobacco Products A	111½	110½
Union Carbide	136¼	136¾
Union Pacific RR. (Common)	190½	193¾
United Fruit	145	145
United Drug (Common)	178½	177½
United States Rubber (Common)	57	56¾
United States Realty & Imp.	62	63

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Sept. 22nd	Sale Price Sept. 29th	Approx. Yield to Maturity Sept. 29th
Czecho Slovak Govt. Sinking Fund Loan... 8	Oct.	1, 1952	108½	108½	7.25
Czecho Slovak Govt. Ext. S. F. Loan..... 7½	Oct.	1, 1945	105¾	106	6.90
Repaolic Chile S.F. Loan 7	Nov.	1, 1942	101½	101¾	6.80
Argentine Ext. S.F. Loan 6	May.	1, 1960	99½	99½	6.05
Italy, Ext. S. F. Loan... 7	Dec.	1, 1951	96½	96	7.30
Austrian S. F. G. Loan... 7	June	1, 1943	102½	103	6.65
French Ext. S. F. Loan 8	Sept.	15, 1945	111½	110	6.95
Japanese Govt. (£)..... 5	1907/1947		83½	83	6.45
German Govt. S. F. Loan 7	Oct.	15, 1949	107	106½	6.45
Deutsche Renten Bank 1st Lien Farm Loan 7	Sept.	15, 1950	102	102	6.80
Saxon Public Works Inc. 1st Mtge. S. F. Loan... 7	Feb.	1, 1945	102½	102½	6.80
German G.E.C.S.F. Loan 7	Jan.	15, 1945	104	105	6.50
Finnish Guaranteed Municipalities S. F. Loan... 6½	Oct.	1, 1954	99½	99½	6.55
Chicago Rapid Transit 1st & Refunding Mtge. 6½	July	1, 1944	99	99	6.60
Northern Ohio Power & Light Co. Debentures. 6½	Jan.	1, 1941	100	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan... 7½	Nov.	1, 1944	101½	101½	7.35
Camaguey Sugar Co. 1st Mtge. S. F. Loan..... 7	Oct.	15, 1942	100½	100½	7.00
Pennsylvania Dixie Cement Cumulative... 7	Pfd. Stock		94	94	7.45
Victor Talking Machine Company Cum. Prior 7	Pfd. Stock		97½	98	7.14
Willys Overland Co.... 7	Pfd. Stock		94	93½	7.49
The National City Bank of New York..... 20	Stock		730	720	2.78
Republic of Peru, Ext. Secured S. F. Loan... 7½	Sept. 1, 1956		105½	103½	7.20

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, October 5, 1927

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has improved 1½d. during the past week, today's quotation being 25½s. ready and forward. The exchange market has ruled extremely quite with business in regard to imports and exports still on a very small scale. We estimate that speculators hold an oversold position in gold currencies but only to a small extent and not sufficient to have any great bearing on local exchange movements for the time being. The London: New York rate has advanced to 486½. The market at the close is quiet and the following rates are obtainable, T. T. London 2/6½, New York 61½, Yen 75½.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 65,972,000 a decrease of Tls. 1,569,000

Chinese and Mexican Dollars..... \$ 76,960,000 a decrease of \$ 4,320,000

Estimated value Tls. 121,383,000 as against Tls. 130,807,000 held at this time last year.

	Average rates for Sept.	Thursday Sept. 29	Friday Sept. 30	Satur. Oct. 1	Monday Oct. 3	Tuesday Oct. 4	Wednesday Oct. 5
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	2/5 8,0	2/6	2/6	2/6	2/6	2/6	2/6
D/Dfts "	—	2/6 1/10	2/6 1/10	2/6 1/10	2/6 1/10	2/6 1/10	2/6 1/10
4 m/s "	—	2/6 1/4	2/6 1/4	2/6 1/4	2/6 1/4	2/6 1/4	2/6 1/4
T/T India	165.990	167	167	166 1/4	166 1/4	166 1/4	166 1/4
T/T France	1,540.600	1550	1550	1550	1550	1550	1550
T/T N. Y.	60.410	60 3/4	60 3/4	60 3/4	60 3/4	60 3/4	60 3/4
T/T Demand	—	60 3/4	60 3/4	60 3/4	60 3/4	60 3/4	61
T/T Hamburg	—	255 1/2	255 1/2	255 1/2	255 1/2	255 1/2	255 1/2
T/T H'kong	79.815	79 1/2	79 1/2	79 1/2	79 1/2	79 1/2	79 1/2
T/T Japan	77.495	76 1/2	76 1/2	76 1/2	76 1/2	76 1/2	76 1/2
T/T Batavia	150.400	151 1/4	151 1/4	151 1/4	151 1/4	151 1/4	151 1/4
T/T Straits	93.260	92 1/4	92 1/4	92 1/4	92 1/4	92 1/4	92 1/4
Bk's buying rates							
4 m/s B/L. } Cred. D/A }	2/7.850	2/8	2/8	2/8	2/8	2/8	2/8
4 m/s " D/P }	—	2/8 1/8	2/8 1/8	2/8 1/8	2/8 1/8	2/8 1/8	2/8 1/8
6 m/s " B/L } Cred D/A }	8/2.142	2/8 1/8	2/8 1/8	2/8 1/8	2/8 1/8	2/8 1/8	2/8 1/8
4 m/s B/F } Cred D/A }	—	1680	1680	1680	1680	1680	1680
4 m/s N.Y.Lc }	63.910	64 1/4	64 1/4	64 1/4	64 1/4	64 1/4	64 1/4
4 m/s " Docs }	—	64 3/4	64 3/4	64 3/4	64 3/4	64 3/4	64 3/4

	Sept. 29	Sept. 30	Oct. 1	Oct. 3	Oct. 4	Oct. 5
†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.						
*London Price of Bar Silver per oz (English Standard 925 touch)....Pence	25½	25½	25½	25½	25½	25½
**New York Price of Bar Silver per oz. (Pure)	G. \$.55½	G. \$.55½	G. \$.55½	G. \$.55½	G. \$.55½	G. \$.55½
Shanghai Price of Gold Bars (weight Tls. 10 (Channing) 978 touch).....	Tls. 367½	Tls. 368½	Tls. 372½	Tls. 373½	Tls. 370½	Tls. 371
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110½	110½	110½	110½	110½	110½
Shanghai Mexican Dollars per \$100....	72.9	72.9125	73.075	73.5	73.4	73.05
Native Bank Rate of Interest (Call money).....	3%	3%	3%	3%	3%	3%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						
Bank of England rate of discount	4½%					
Bank of France rate of discount	5%					
London open Market of Dis. 3 m/s	4½%					
" 4 "	4½%					
" 6 "	4½%					
London Paris on	T/T 124.04					
New York on London	T/T 486½					
Bombay on London	T/T 1/51½					
Hongkong on London	T/T 1/11½					
Kobe on London	T/T 1/11					